



CITY OF MERCER ISLAND

CITY COUNCIL REGULAR VIDEO MEETING

Tuesday, September 1, 2020 at 5:00 PM

COUNCIL MEMBERS:

Mayor Benson Wong, Deputy Mayor Wendy Weiker,
Councilmembers: Lisa Anderl, Jake Jacobson,
Salim Nice, Craig Reynolds, David Rosenbaum

LOCATION & CONTACT:

Mercer Island City Hall – Zoom Meeting
9611 SE 36th Street | Mercer Island, WA 98040
Phone: 206.275.7793 | www.mercerisland.gov

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 206.275.7793.

Virtual Meeting Notice

The virtual meeting will be broadcast live on MITV Channel 21 and live streamed on the City Council's [YouTube Channel](#)

Registering to Speak: Individuals wishing to speak live during Appearances will need to register their request with the City Clerk at 206.275.7793 or email the [City Clerk](#) and leave a message before 4 PM on the day of the Council meeting. Please reference "Appearances" on your correspondence. Each speaker will be allowed three (3) minutes to speak.

Public Appearances by Video: Notify the [City Clerk](#) in advance that you wish to speak on camera and staff will be prepared to permit temporary video access when you enter the live Council meeting. Please remember to activate the video option on your phone or computer, ensure your room is well lit, and kindly ensure that your background is appropriate for all audience ages. Screen sharing will not be permitted, but documents may be [Emailed to Council](#).

Join by Telephone at 5:00 PM: To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **891 5543 6527** and Password **851646** when prompted.

Join by Internet at 5:00 PM: To watch the meeting over the internet via your computer, follow these steps:

- 1) Click [this link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **891 5543 6527**; Enter Password **851646**
- 4) The City Clerk will call on you by name or refer to your email address when it is your turn to speak. Please confirm that your audio works prior to participating.

Submitting Written Comments: Written comments may be submitted at the Mercer Island [Let's Talk Council Connects](#) page. Written comments received by 3 PM on September 1, 2020 will be forwarded to all Councilmembers and a brief summary of the comments will be included in the minutes of the meeting.

For the safety and wellbeing of the public and staff, the City strongly recommends that people attend the meeting by viewing the live feed of the video conference on the City's [YouTube Channel](#), or on [MI-TV Channel 21](#).

CALL TO ORDER & ROLL CALL, 5:00 PM

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

STUDY SESSION

1. AB 5743: 2020 Business Needs Assessment Survey Report
Recommended Action: Receive and discuss the consultant report.

CITY MANAGER REPORT, 6:00 PM

APPEARANCES

CONSENT CALENDAR

2. Approve **Accounts Payable** Reports for the periods ending:
 - A) July 31, 2020 in the amount of \$190,068.99
 - B) August 7, 2020 in the amount of \$847,496.29
 - C) August 14, 2020 in the amount of \$205,896.34
 - D) August 21, 2020 in the amount of \$62,618.95
3. Claims Reporting for **Electronic Funds Transfers** for the month ending July 31, 2020 in the amount of \$2,267,095.69
4. Certification of **Payroll** dated:
 - A) August 14, 2020 in the amount of \$689,290.94
 - B) August 28, 2020 in the amount of \$702,233.43
5. Approve **Minutes**:
 - A) July 21, 2020 Regular Video Meeting
 - B) August 4, 2020 Regular Video Meeting
 - C) August 13, 2020 Special Video Meeting
 - D) August 25, 2020 Special Video Meeting
6. AB 5740: 2020-2021 Interlocal Agreement with the Mercer Island School District for School-Based Counseling Services.
Recommended Action: Authorize the City Manager to sign an Interlocal Agreement with the Mercer Island School District for counseling services during the 2020-2021 school year.
7. AB 5739: King County CARES Act Coronavirus Relief Fund Grant Acceptance
Recommended Action: Authorize the City Manager to accept grant funding through King County's Coronavirus Relief Fund Economic Development for Cities program in the amount of \$37,372 and appropriate the full amount to support the City's small business support efforts through December 31, 2020.
8. AB 5744: National Recovery Month Proclamation No. 256
Recommended Action: Mayor presents the proclamation proclaiming September 2020 as National Recovery Month.

REGULAR BUSINESS

9. AB 5745: Zayo Group, LLC. Franchise Agreement (Ord. No. 20-16; 2nd Reading and Adoption)
Recommended Action: Adopt Ordinance No. 20-16, approving a franchise agreement with Zayo Group, LLC.
10. AB 5721: Board and Commission Vacancy Appointments
Recommended Action: Approve Resolution No. 1585 appointing members to the Mercer Island Design Commission and Utility Board.
11. AB 5747: First reading of Ordinance No. 20C-20 temporarily increasing utility tax rates to raise additional revenue for potential litigation to enforce the terms of the City's 2017 Settlement Agreement with Sound Transit.
Recommended Action: Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.
12. AB 5741: Revenue Forecast and Second Quarter Financial Status Report
Recommended Action:
 - A) Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
 - B) Adopt Ordinance No. 20-19 amending the 2019-2020 budget to memorialize Phase 3 cost saving measures.
13. AB 5742: Town Center Moratorium Update and Findings of Fact (Ordinance No. 20-18; Second Reading)
Recommended Action: Adopt Ordinance No. 20-18 amending the scope of the Town Center Moratorium and adopting additional findings of fact.

OTHER BUSINESS

14. Planning Schedule
15. Councilmember Absences & Reports

EXECUTIVE SESSION (If needed)

ADJOURNMENT



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5743
September 1, 2020
Study Session

AGENDA BILL INFORMATION

TITLE:	AB 5743: 2020 Business Needs Assessment Survey Report	<input checked="" type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Receive the consultant’s report.	<input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Manager	
STAFF:	Sarah Bluvas, EOC Small Business Liaison	
COUNCIL LIAISON:	Jake Jacobson	Craig Reynolds
EXHIBITS:	1. 2020 Mercer Island Business Survey Questions	
CITY COUNCIL PRIORITY:	3. Implement an economic development program.	

AMOUNT OF EXPENDITURE	\$ N/A
AMOUNT BUDGETED	\$ N/A
APPROPRIATION REQUIRED	\$ N/A

SUMMARY

Through Port of Seattle Economic Development Partnership grant funds, the City of Mercer Island contracted with local research firm Hardwick Research to conduct a needs assessment survey of the Mercer Island business community. The digital survey was sent to approximately 1,200 local businesses, and the City received 269 responses (see Exhibit 1). The consultant, Nancy Hardwick, will report on and facilitate a discussion of the survey methodology and high-level findings. Staff and the consultant will return at a later City Council meeting to present the final report.

BACKGROUND

To strengthen efforts to support the local business community during the COVID-19 recovery period, staff identified and applied for the Port of Seattle Economic Development Partnership Program grant (see [AB 5688](#)) and the City was subsequently awarded \$24,470 with the requirement that the City provide an additional match of \$12,235 (see [AB 5693](#)). Funds were allocated across two coinciding projects that focused on immediate COVID-19 business recovery and preparing for future economic development planning. The business needs assessment and survey are one of three activities covered by the grant funds.

RECOMMENDATION

Receive and discuss the consultant report.

**City of Mercer Island
Business Survey
Final 7-20-20**

You have received this survey because you own or operate a business based on Mercer Island.

Since early March 2020, the [City of Mercer Island](#) has partnered with the [Mercer Island Chamber of Commerce](#) to support local businesses impacted by the COVID-19 crisis. As part of this response, we are conducting this brief survey to learn about the COVID-19-related challenges facing your business as well as other general needs you have as a Mercer Island business.

This survey contains 18 questions and will take approximately 7 minutes to complete. Your responses will inform future efforts to support the Mercer Island business community during the COVID-19 crisis and beyond.

Questions? Contact Sarah Bluvas, Small Business Liaison for the City of Mercer Island's EOC Operations Section: sarah.bluvas@mercergov.org | 206.275.7864

Thank you for your time! We truly appreciate your input.

Q1. Which of the following best describes your business location? (Check all that apply.)

- Located in the north end business district
- Located in the south end business district
- Store front
- Located within an office building
- In-home/home-based business
- Other (please specify) _____
- I no longer have a business based on Mercer Island **(DP NOTE: END SURVEY)**

Q2. What challenges are you facing, at this time and going forward, due to COVID-19? (Please read answers carefully. Check all that apply.)

- Keeping up with/figuring out the Federal rules regarding available COVID-19 related loans
- Keeping up with/figuring out the State-mandated COVID-19 phases/rules
- Business has increased significantly
- Business has decreased significantly
- Trouble paying rent/accessing rent relief
- Working with vendors to delay delivering orders we no longer need, cannot pay for at this time, etc.
- Working with creditors to agree to let us delay our payments

- Had to lay off employees
- Had to cut employees' hours
- Had to cut employees' pay/salary
- Trying to open/stay open, but cannot find staff/my staff does not want to work
- Additional expenses related to reopening (e.g.; PPE, extra cleaning, signage)
- Have to add online store
- Have to add pickup/delivery service
- Providing adequate parking for customers/clients
- Have to add new product offerings
- Have to find a new customer base
- Have to reconfigure business location to support social distancing
- Face challenges from customers or employees who do not comply with Safe Start guidelines/practices (e.g.; social distancing, mask wearing, etc.)
- Have to adapt to new sanitizing protocols
- Other (please specify) _____
- Not facing any challenges due to COVID-19

Q3. Have you received any of the following financial assistance during the COVID-19 crisis? (Check all that apply.)

- Paycheck Protection Program Loan (PPP)
- SBA Economic Injury Disaster Loan (EIDL)
- Working Washington Small Business Emergency Grant
- WeLoveMI campaign
- Private loans, lines of credit, etc. from your banking institution
- Other Federal, State, or Local funding sources
- Other private loan or grant programs (e.g.; Facebook Small Business Grant Program)
- I have not pursued any financial assistance
- I applied for some of these, but did not receive any financial assistance
- Other (please specify) _____

Q4. What changes have you made or are considering making due to COVID-19?

Q5. Have you heard of the City of Mercer Island's Let's Talk webpage for businesses found at letstalk.mercergov.org/coronavirus_business?

- Yes, I've heard of it and have visited the website
- Yes, I've heard of it, but have not visited the website yet
- No, I have not heard of it

Q6. During the COVID-19 crisis, the City of Mercer Island has taken several actions to support local Island businesses. Which, if any, of the following efforts are you aware of? (Check all that apply.)

- Appointed a staff member to serve as Small Business Liaison during the City's emergency response
- Connected local businesses with/provided guidance on available financial and other relief resources (e.g.; Paycheck Protection Program, Safe Start plan, webinar series)
- Implemented priority pick-up zones for retail and food pick-up in Mercer Island Town Center
- Enacted emergency policies to assist Island businesses (e.g.; B&O tax payment deadline extension)
- Coordinated marketing and outreach campaigns to promote local businesses (e.g.; #TakoutTuesday social media campaign)
- Redistributed park picnic tables to other locations to facilitate more public outdoor seating
- Secured grants to fund projects to support local businesses
- I was not aware of any of these efforts
- Other (specify) _____

Q7. While operating with limited staff capacity and financial resources, the City of Mercer Island and the Mercer Island Chamber of Commerce continue to seek ways to support local businesses during the COVID-19 crisis. If resources were available, which of the following would help your business most during this emergency? (Please read list carefully. Pick up to three.)

- Resources for acquiring PPE supplies
- Assistance seeking commercial rental relief/other needs related to commercial property
- A way to let customers know you are now open
- Promoting your business through the City of Mercer Island's Let's Talk page with COVID-19 resources for businesses (letstalk.mercergov.org/coronavirus_business)
- Connecting your business with marketing assistance (e.g.; social media marketing, creative advertising design)
- Connecting your business with technical assistance (e.g.; website development, CPA)
- Connecting your business with ways to partner with other local business to enhance/promote products/services
- Exploring temporary codes/policies to enable customers to more easily access your products/services (e.g.; code amendments to allow outdoor dining/shopping, priority pick-up/parking zones for retail and food pick-up)
- Other (specify) _____
- Don't know what would help
- Nothing will help

Q8. In the future, the City of Mercer Island may have the opportunity to implement policy or other actions to assist Mercer Island businesses. Thinking long-term, which of these policy or program areas would you want the City to explore on behalf of local businesses? (Pick up to two.)

- Parking in north and south end business districts (e.g.; amount of parking, illegal parking)
- Walkability in north and south end business districts
- Helping people find their way to/from north and south end business districts
- Community-wide branding and marketing (e.g.; Visit Mercer Island – Shop, Eat, and Enjoy)
- Business attraction
- Business retention
- Tourism development
- Funding mechanisms to support local businesses (e.g. tax-related district designation, regional/federal grants)
- Other (please specify) _____
- Don't know what to suggest
- Nothing

Q9. Are you a member of the Mercer Island Chamber of Commerce?

- Yes **(SKIP TO Q11)**
- No

Q10. For what reasons have you chosen not to join the MI Chamber of Commerce?

Q11. Where do you currently access information regarding resources and opportunities for the Mercer Island business community? (Pick as many as apply.)

- Mercer Island Reporter
- Mercer Island Chamber of Commerce
- Mercer Island Rotary
- City of Mercer Island website
- City of Mercer Island’s “Let’s Talk” page with COVID-19 resources for businesses:
letstalk.mercergov.org
- The City’s “MI Weekly” e-newsletter
- Nextdoor
- Facebook – The City of Mercer Island
- Facebook – Mercer Island Chamber of Commerce
- Facebook (in general)
- Instagram – The City of Mercer Island
- Instagram – Mercer Island Chamber of Commerce
- Instagram (in general)
- MyMercerIsland.com (website/email newsletter)
- Word of mouth
- Other (specify) _____
- I don’t access information regarding the MI business community

Q12. What type of information related to the local business community are you interested in receiving from the City?

Q13. How many years have you been doing business on Mercer Island?

_____ years

Q14. How many employees (full or part-time, excluding yourself) do you have?

- None
- 1
- 2 – 9
- 10 – 24
- 25 – 99
- 100 – 499
- 500 +

Q15. What is your annual revenue for 2019?

- Under \$100,000
- \$100,000 - \$499,999
- \$500,000 - \$999,999
- \$1,000,000 - \$4,999,999
- \$5,000,000 or more
- None
- Prefer not to say

Q16. Which of the following best describes your business? (Check all that apply.)

- Architecture/Engineering/Construction/Contractor
- Artist/Arts Organization
- Consulting
- Childcare/Education Services (daycare, preschool, etc.)
- Design Services (interior, graphic, etc.)
- Financial Services (banking, CPA, financial planning, etc.)
- Fitness Studio/Gym
- Food/Drink Service
- Grocery
- Health/Wellness (dentist, physical therapist, acupuncture, etc.)
- Legal Services
- Manufacturing
- Other Professional Services
- Personal Services (hair salon, nail salon, etc.)
- Real Estate (commercial, residential, lending, etc.)
- Retail
- Technology Services (software development, web services, etc.)
- Other (specify) _____

Q17. What other comments or suggestions would you like to share related to COVID-19 related challenges facing your business or other general needs you may have as a Mercer Island business?

Q18. We will keep local business owners updated on our progress. If you would like to be added to our email list (you can opt out at any time), please provide your email address.

(Please note that your email address will not be connected to your responses. All survey participants and your responses will remain confidential.)

Thank you for sharing your opinions and experience with us.

City of Mercer Island

COVID-19 Business Survey

Research Report

Research conducted July-August 2020
By Hardwick Research



MARKET RESEARCH SERVICES

A detailed close-up photograph of a complex mechanical assembly, likely a watch movement. The image shows several interlocking gears of various sizes and colors, including brass and steel. The gears are arranged in a dense, overlapping pattern, with some showing teeth and others showing smooth surfaces. The lighting is dramatic, highlighting the metallic textures and the precision of the engineering. The background is dark, making the metallic parts stand out.

BACKGROUND & METHODOLOGY

Background

Funding for this research study was obtained through a grant from the “Port of Seattle Economic Development Partnership Program”

- The City of Mercer Island worked in partnership with the Mercer Island Chamber of Commerce and other local business community advocates
- Members of the “RestartMI” initiative provided input on survey topics
- The survey was designed by Nancy Hardwick, Hardwick Research in conjunction with Sarah Bluvas, EOC Small Business Liaison for the City of Mercer Island
- This research was gathered by Hardwick Research, who also conducted the analysis and developed this report



Survey Project Goals

Gather information regarding issues facing the Mercer Island business community with the goal of understanding COVID-19 related issues:

- Effect of/challenges Mercer Island businesses face during the COVID-19 crisis
- Level of awareness and usage of aid already being offered
- Evaluate what type of aid/support the City of Mercer Island should provide businesses (now and in future)
- Provide insights to inform some of the elements of the “RestartMI” initiative (marketing campaign, etc.)

Obtain baseline data for long-range economic and community development efforts (including Town Center planning)

- Contact information (email addresses) for future communication with Mercer Island businesses
- High level needs and issues faced by the entire business community
- Ways in which the City can support the local business community

Methodology

An online survey was conducted in order to gather feedback from Mercer Island businesses. Invitations to participate in the survey were distributed via:

- Email (sent to 822 Mercer Island businesses, received 208 surveys)
- Postcards (sent to 531 Mercer Island businesses, received 30 surveys)
- Mercer Island Chamber of Commerce email newsletter (received 17 surveys)
- City of Mercer Island email newsletter (received 14 surveys)

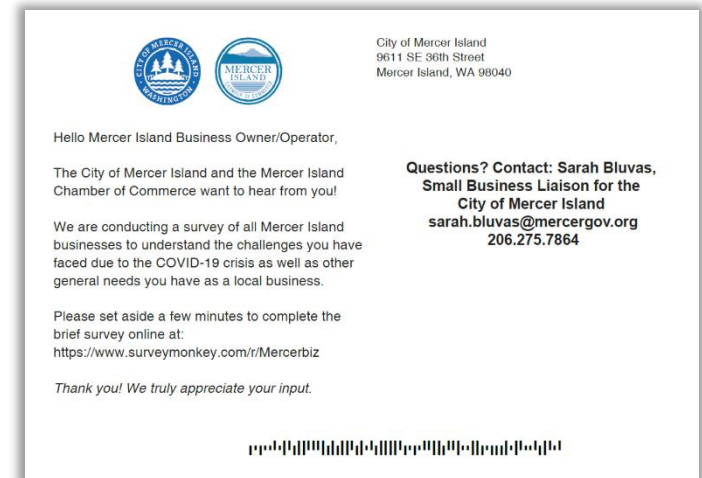
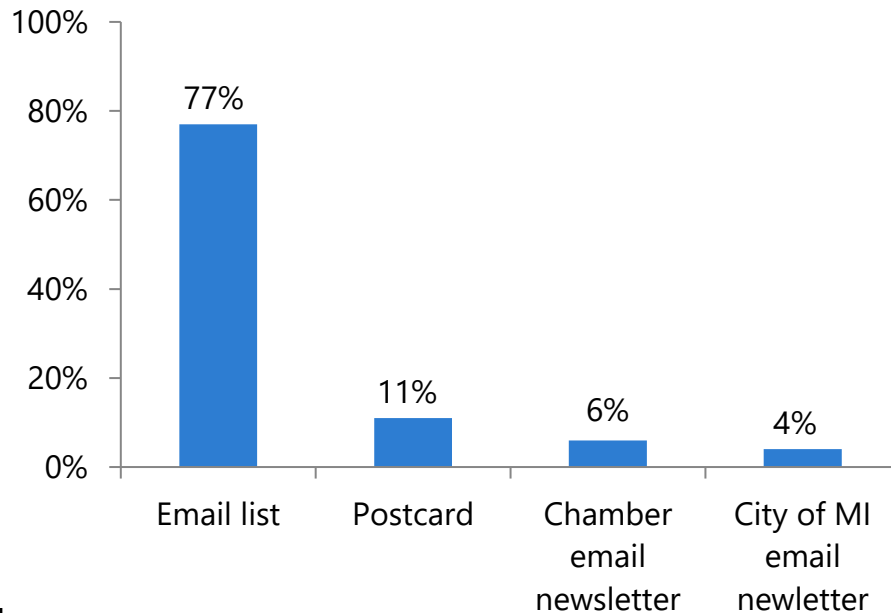
A total of 269 completed surveys were gathered

The research was conducted July 28 – August 16, 2020

The questionnaire contained 18 questions and can be found in the Appendix section of this report

Survey Collector Details

About three quarters of the surveys were gathered via the email list provided by the City of Mercer Island. The remainder were generated by a postcard mailed to Mercer Island businesses (those the City did not have email addresses for), through the Chamber of Commerce email newsletter, or the City of Mercer Island email newsletter.



Participating Business Demographics

Type of Business

- Home-based (48%)
- North end (38%)
- Office building (18%)
- Storefront (11%)
- South end (6%)

Note: Most are home-based or on the north end

Years in Business

- Under 5 (35%)
- 5-9 (19%)
- 10-19 (23%)
- 20 or more (23%)

Note: Average years in business is 12.5

Employees

- None (42%)
- 1 (12%)
- 2-9 (29%)
- 10-24 (11%)
- 25-99 (4%)
- 100 and up (1%)

Note: Average number of employees is 12.5

2019 Revenue

- Less than \$100K (27%)
- \$100K-\$499K (26%)
- \$500K-\$999K (10%)
- \$1M - \$4.9M (12%)
- \$5M and up (3%)
- None (5%)

Note: Over half have 2019 revenue under \$500K



Report Annotation

All statistical testing for this study has been done at the 95% confidence level. The confidence level refers to how confident you are that all businesses in the targeted region would have responded this way. This industry standard guarantees, with 95% certainty, that these results are accurate.

Statistically significant differences will be identified as such. "Trends," although not always statistically significant, are also identified.

In some situations, due to space limitations, survey answers that garnered 5% or fewer responses were not included in the slides. For a complete list of all responses, see the survey located in the Appendix of this report.



SUMMARY OF RESULTS

Executive Summary

Business Challenges	<ul style="list-style-type: none">• The primary challenges due to COVID-19 are:<ul style="list-style-type: none">– Decrease in business (46%)– Understanding the State’s COVID-19 phases and rules (28%)– Understanding the Federal rules around business loans for COVID-19 (27%)
Remedies/ Changes	<ul style="list-style-type: none">• More than half (52%) have chosen to pursue some type of financial assistance, with most (39%) taking advantage of the Paycheck Protection Program (PPP)• Most survey participants (78%) report that they have made or are considering making changes due to COVID-19• Some are having employees work remotely (11%) and are holding meetings over ZOOM (11%)
Information Sources	<ul style="list-style-type: none">• About a third of businesses are aware of the Let’s Talk webpage (31%), however Chamber members’ awareness is higher than non-members• Let’s Talk resident vs. business information not clearly differentiated• Word of mouth (including Nextdoor) is by far the most popular source (though unreliable)• Other commonly used information sources include the City of Mercer Island website (37%) and the Mercer Island Reporter

Executive Summary (Continued)

<p>City Programs/ Assistance</p>	<ul style="list-style-type: none">• More than half of businesses (53%) were not aware of assistance being offered by the City• Interest in potential programs was highest among storefronts who want marketing and promotions assistance• For long term program options, about a quarter of businesses want the City to address “parking on the north and south end business district (e.g., amount of parking, illegal parking),” followed by “funding mechanisms to support local businesses (e.g., tax-related district designation, regional/ federal grants” and “business attraction”
<p>Chamber Membership</p>	<ul style="list-style-type: none">• The majority of businesses responding are not members of the Mercer Island Chamber of Commerce (77%) while 23% are• Primary reasons given relate to uncertainty about the benefits and relevance for their business. Some had not thought of joining• The Chamber has been providing assistance to members including financial assistance/loans, free PPE supplies, webinars, GoFundMe page in conjunction with the Mercer Island Community Fund

Executive Summary (Continued)

<p>Businesses want Information</p>	<ul style="list-style-type: none"> • Understanding the State’s COVID-19 phases and rules, including about PPE • Understanding the Federal rules around business loans for COVID-19 • Info for businesses/promotions/assistance • What’s happening/local events/info on current and new businesses • The City’s thinking on economic development/ new business development plans (including zoning and codes, as well as parking)
<p>Businesses want Connections</p>	<ul style="list-style-type: none"> • Connecting your business with marketing assistance (e.g., social media marketing, creative advertising design, etc.) • Connecting your business with ways to partner with other local businesses to enhance/promote products/services and network • Directory of businesses to include new businesses and note those still closed due to COVID-19 • Provide information on what’s happening/local events/new businesses
<p>Businesses want City Programs/ Assistance</p>	<p><i>Currently:</i></p> <ul style="list-style-type: none"> • Enforcement of masks • Resources for acquiring PPE supplies • Assistance seeking commercial rental relief/other needs related to commercial property • Grants/loans/tax relief/incentives <p><i>Long term:</i></p> <ul style="list-style-type: none"> • Parking in the north and south end business districts (e.g., amount of parking, illegal parking) • Funding mechanisms to support local businesses and business attraction (e.g., tax-related district designation, regional/federal grants) • Community-wide branding and marketing (e.g., Visit Mercer Island – Shop, Eat, and Enjoy) • Walkability in north and south end business districts • Business attraction and retention

Suggestions from Survey Respondents

“

“Mercer Island has a lot of opportunity to be a ‘Cute little downtown’ similar to Bellevue’s Old Main or Madison Park, but the path taken with City planning’s design standards for new buildings and lack of maintenance on older buildings hasn’t encouraged visitors or destination shopping like other cities have. We need some serious structure with urban planning and tenant maintenance. My building is practically falling down and no one is requiring our landlord to keep it up. All of that discourages people from wanting to shop and spend time in our business district.”

“I wish there were a way to promote more businesses that don’t sell goods and have a physical location on the island.”

“Information concerning measures the City is taking to encourage business formation and to ease unnecessary/ ineffective rules and regulation.”

“Learning what the long term vision is to create a more shopper/business friendly environment.”

“What opportunities we have to update our business core area to be more attractive to off islanders.”

“New business openings.”

“What is being done to promote business of the Island, economic development. What is being done bring business to the old Farmer’s building.”

“City policy that impacts MI businesses; City plans for the downtown village.”

Economic Development

“Resources, marketing opportunities, grants, promotion of Island-based businesses.”

“Opportunities to connect with other local business leaders.”

“Featured or profiled business owner spotlights, overall health & well-being of our retail centers, co-marketing opportunities or events (First Friday Outdoor Art Walk, etc...)”

“What businesses are doing to survive during these times, opportunities for partnership and cross-promotion.”

Marketing

”

Suggestions from Survey Respondents

“

“Interesting to hear how many businesses are opening or closing, how activity is changing.”

“Continue to communicate updates relative to COVID and solutions to issues that are being managed i.e. the concern of parking.”

“I don’t believe anyone from the City has reached out to us to offer support or information. I have also not received invitations to community-wide meetings that I have later learned occurred. Please include every establishment in your outreach. Thank you.”

“Local events, and ways to promote my business here on Mercer. I would love to know more about the community and what’s going on here.”

“Lists of actions taken relevant to input and requests. Quick responses with actions taken on immediate needs and requests.”

“Updates on which businesses are coming to/ leaving the Island.”

Keep us Updated

“Information on any issues affecting Mercer Island businesses (zoning, code changes, taxes, parking, development in Town Center and south-end shopping center).”

“Changes in laws that affect Island businesses.”

Rules, Regulations, Zoning

Kudos to the City

“The City government is doing a good job in most cases and their efforts are appreciated.”

“Sarah Bluvas has been an incredible source for info and has done an admirable job of communicating during this pandemic. Much appreciation!”

”



CONCLUSIONS & RECOMMENDATIONS

Promote City's COVID-19 Resources

With economic development a priority for the City Council, this an ideal opportunity for the City of Mercer Island to become a resource to businesses by providing valuable information

The City's Let's Talk website is the perfect hub for communication regarding COVID-19

- Work to keep the information as up to date as possible. Provide details, background information, and links for additional resources
- Make sure Let's Talk is the cited source for updates/information disseminated via other media like websites, social media, newspapers. They should all include a link back to Let's Talk, when possible

Partner with the Mercer Island Chamber of Commerce to disseminate information and partner on programming

- The Chamber of Commerce is a great way to access some of the more active Island businesses
- The Chamber can also be a good partner for implementing programs (with their connections and volunteers)



Create a Business Section in Let's Talk

The City of Mercer Islands' Let's Talk website is full of helpful content for businesses, but it can be hard to find

Consider some changes to the site including:

- Clearly label a section specifically for Island businesses that's accessible from the home page and becomes a permanent part of the website
- Incorporate COVID-19 information specifically for Island businesses in this new section
 - Considering splitting the large COVID-19 box on the current home page in half. It's too large which makes it hard to see the other content. Additionally, the split would allow one half for residents and the other for business owners
- Highlight what the City has done to help Island businesses during the COVID-19 crisis
- Include information important to businesses
- Expand current directory of businesses (open during COVID-19) to include all Island businesses interested in being listed

Each Business Type has Different Needs

Work to provide a variety of information to businesses, as each type generally has different needs

- Help businesses acquire PPE, provide info/resources for rent relief
- Communicate which businesses are open (via MI Reporter, Chamber of Commerce, social media, etc.)
- Develop a plan for community wide branding and marketing of MI as a good place to shop and do business
- Address walkability and parking issues in the business districts
- Improve awareness of Let's Talk website
- Work with Mercer Island Chamber to hold specific networking events by business type
- Work to help home-based businesses keep more informed and feel a part of the business community

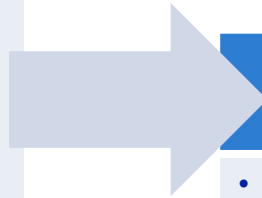
Typical Needs	Home based	Office Building	Store-front
Resources for acquiring PPE		x	x
Assistance seeking commercial rental relief/other needs related to commercial property		x	x
Help with branding/marketing/promotion of business			x
Networking with other businesses	x		x
Interest in walkability in the business district	x	x	
Parking in north and south end business districts (e.g., amount of parking, illegal parking)	x	x	x
Chamber of Commerce Member			x
Aware of City's Let's Talk website			x

Survey Next Steps

Step 1:

Share results and how the City plans to use the results

- Distribute via email, post on City website, share with Chamber of Commerce members and through social media
- Sharing the results and implementing changes will make participants feel they were listened to



Step 2:

Survey Mercer Island residents

- Economic development on Mercer Island is important to both business owners and residents
- The City needs to understand what residents envision for the north and south end business districts
- Asking questions like:
 - What would encourage them to shop on Mercer Island?
 - What would they like the business districts to look like?
 - What would make them more appealing?
 - Do they consider parking to be an issue?



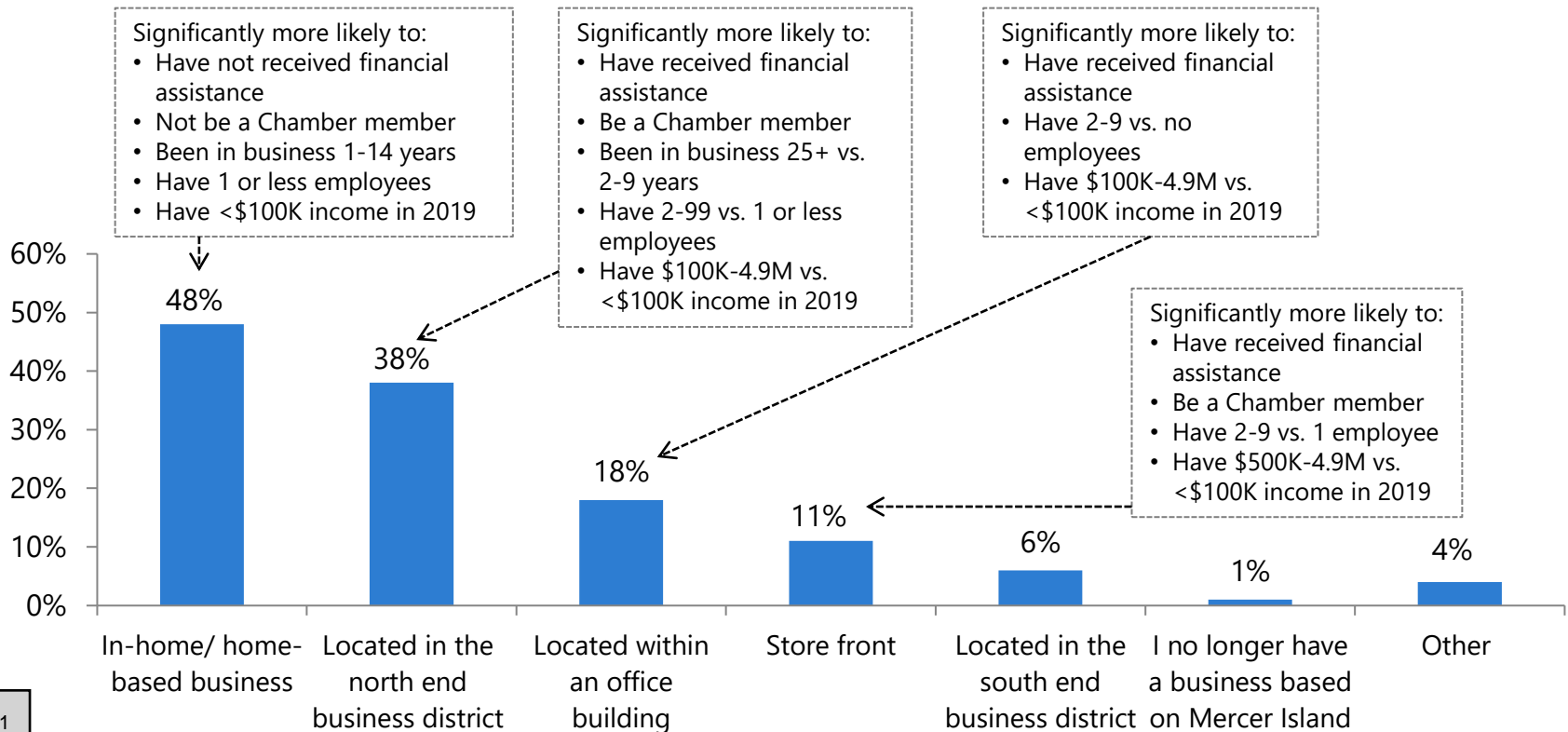
Item 1.

DETAILED FINDINGS

Many MI Businesses are Home-based

The survey was distributed to all business on Mercer Island. Of those who responded 48% are home-based businesses who...

- Tend to be less likely than other businesses on the Island to be facing challenges due to COVID-19
- Are significantly less likely to have received financial assistance compared to other Island businesses (as 74% of them chose not to pursue financial assistance)



Decrease in Business Biggest Issue

Challenges	%
Business has decreased significantly	46%
Keeping up with/figuring out the State-mandated COVID-19 phases/rules	28%
Keeping up with/figuring out the Federal rules regarding available COVID-19 related loans	27%
Have to adapt to new sanitizing protocols	24%
Additional expense related to reopening (e.g., PPE, extra cleaning, signage)	21%
Have to reconfigure business location to support social distancing	13%
Had to cut employees' hours	12%
Face challenges from customers or employees who do not comply with Safe Start guidelines/practices (e.g., social distancing, mask wearing, etc.)	12%
Have to find a new customer base	12%
Not facing any challenges due to COVID-19	11%
Had to lay off employees	9%
Trouble paying rent/accessing rent relief	8%
Have to add new product offerings	6%

Primary challenge faced due to COVID-10 is that "business had decreased significantly" (46%)

Only 5% of businesses surveyed report they had to close their business due to COVID-19

Those who are Chamber of Commerce members are significantly more likely to be dealing with additional expenses related to reopening (e.g., PPE, cleaning, signage) and having challenges with paying rent/accessing rent relief than non-members

The following types of businesses tend to be facing challenges surrounding COVID-19...

- With employees (2+) are more likely to report challenges surrounding COVID-19 than those one or fewer employees
- Who made \$1M+ in 2019

About Half Not Received Assistance

Type of Assistance	%
I have not pursued any financial assistance	48%
Paycheck Protection Program (PPP)	39%
SBA Economic Injury Disaster Loan (EIDL)	14%
WeLoveMI campaign	7%
Private loans, lines of credit, etc. from your banking institution	3%
Other private loan or grant programs (e.g., Facebook Small Business Grant Program)	3%
I applied for some of these, but did not receive any financial assistance	3%
Working Washington Small Business Emergency Grant	2%
Other Federal, State, or Local funding sources	2%
Other	2%

More than half (52%) have chosen to pursue some type of financial assistance, with most (39%) taking advantage of the Paycheck Protection Program (PPP)

Those with a storefront tend to be more likely to have applied for the SBA EIDL loan or participated in the WeLoveMI campaign than other Island businesses

Home-based businesses, non-members of the Chamber of Commerce, those without employees, and those making less than \$100K in 2019 are significantly more likely than their counterparts to have chosen not to pursue any financial assistance

Only 3% (or 8 businesses) report having applied for assistance, but did not receive any

Changes Made Varied Widely

Changes due to COVID-19	%
Employees work at home/remotely	11%
Online meetings/ZOOM, meet with staff and customers online	11%
Social distancing/Safety protocols/Reconfiguring space for distancing	9%
Reduce number of staff/customers in facility/office	8%
Extra cleaning/sanitizing	8%
Develop/increase online presence/sales	8%
Masks/PPE	7%
Reduced hours of operation	5%
None	19%
Other	9%

Most survey participants (78%) report that they have made or are considering making changes due to COVID-19

- Changes made have varied greatly with many looking to online options (meetings, increasing online presence) or having employees work from home
- Those with a storefront are significantly more likely to be developing/increasing an online presence
- Those in office buildings are more likely to have employees work from home
- Chamber of Commerce members are significantly more likely to be reducing the number of customers/staff in the office, reducing hours of operation and closing some of their facilities to the public, while non-members are significantly more likely to be turning to online meetings with customers/staff

Home-based businesses (32%) are significantly more likely to have made no changes

“

“Have to rent adjacent space in office building so employees can be distanced from each other, more time spent disinfecting areas.”

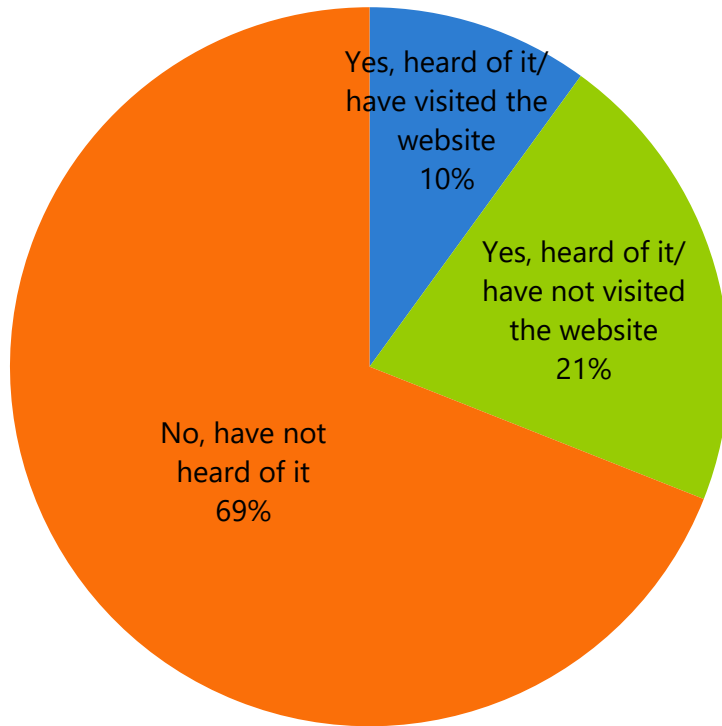
“Shorter hours, trying to find staff, increasing starting pay, which the business cannot afford...”

“Terminating our lease as soon as we are able and converting to a remote workforce as well as becoming fully paperless.”

“Having meetings exclusively via Zoom.”

”

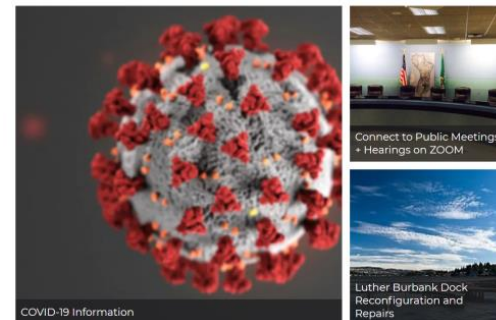
Most Unaware of Let's Talk Webpage



Most of those surveyed (69%) have not heard about the City of Mercer Island's Let's Talk webpage for businesses

- Those located in an office building, home-based businesses, those located in the north end business district, businesses on the Island 14 years or less, and those with 9 or fewer employees are more likely to have not heard of the Let's Talk webpage

The Chamber of Commerce appears to have done a good job of promoting the City of Mercer Island's Let's Talks webpage, as 52% of Chamber members are aware of the website and 20% have visited it



Few Aware of MI Efforts to Assist

Business owners/operators were provided a list of actions the City of Mercer Island has already undertaken to support local businesses

More than half (53%) of those surveyed were not aware of any of these efforts

- Home-based businesses, those located in the south end business district, those who did not receive any financial assistance, those who are not Chamber members, and those with more than 100+ employees are more likely to not be aware of the actions taken by the City to support businesses

City of Mercer Island actions to support businesses	%
Implemented priority pick-up zones for retail and food pick-up in Mercer Island Town Center	24%
Appointed a staff member to serve as Small Business Liaison during the City's emergency response	22%
Coordinated marketing and outreach campaigns to promote local businesses	20%
Connected local businesses with/provided guidance on available financial and other relief resources (e.g., Paycheck Protection Program, Safe Start plan, webinar series)	18%
Enacted emergency policies to assist Island businesses (e.g., B&O tax payment deadline extension)	11%
Redistributed park picnic tables to other locations to facilitate more public outdoor seating	11%
Secured grants to fund projects to support local businesses	9%
I was not aware of any of these efforts	53%
Other	3%

Marketing Support Desired

Businesses were asked which of the following “means of support” they feel would help their business during the COVID-19 crisis

Although home-based businesses make up nearly half (48%) of those who completed the survey, most home-based business owners “did not know what would help” (24%) or report that “nothing will help/not needed” (30%)

Those with storefronts are particularly interested in promotion of their business on the Let’s Talk webpage, ways to let customers know they are open, and obtaining marketing assistance

Those in office buildings are particularly interested in acquiring PPE and rental relief

Means of Support	%
Promoting your business through the City of Mercer Island’s Let’s Talk page with COVID-19 resources (letstalk.mercergov.org/coronavirus_business)	22%
Connecting your business with marketing assistance (e.g., social media marketing, creative advertising design, etc.)	18%
Connecting your business with ways to partner with other local businesses to enhance/promote products/services	17%
Resources for acquiring PPE supplies	16%
Assistance seeking commercial rental relief/other needs related to commercial property	12%
Connecting your business with technical assistance (e.g., website development, CPA, etc.)	10%
Exploring temporary codes/policies to enable customers to more easily access your products/services (e.g., code amendments to allow outdoor dining/shopping, priority pick-up/parking zones for retail and food pick-up)	8%
A way to let customers know you are now open	7%
Additional City staff/open facilities/spaces	2%
Other	9%
Don’t know what would help	19%
Nothing will help/not needed	19%

Parking, Funding, Marketing Important

Potential Actions	%
Parking in north and south end business districts (e.g., amount of parking, illegal parking)	24%
Funding mechanisms to support local businesses (e.g., tax-related district designation, regional/federal grants)	19%
Business attraction	18%
Community-wide branding and marketing (e.g., Visit Mercer Island – Shop, Eat, and Enjoy)	16%
Business retention	14%
Walkability in north and south end business districts	14%
Helping people find their way to/from north and south end business districts	4%
Changes to zoning/coding to aid businesses	4%
Tourism development	3%
Don't know what to suggest	21%
Nothing	8%
Other	6%

The preferred option for potential assistance from the City is to deal with parking issues in the north and south end business districts”

- Businesses more likely to prefer this option are mid-sized (10-24 employees) and those having been in business on Mercer Island for 10-14 years

Businesses with \$5M+ in revenue and those who received financial assistance are most interested in “funding mechanisms to support local businesses”

Storefronts, those who received financial assistance, and new businesses (<1 year) are more likely to be interested in “business attraction”

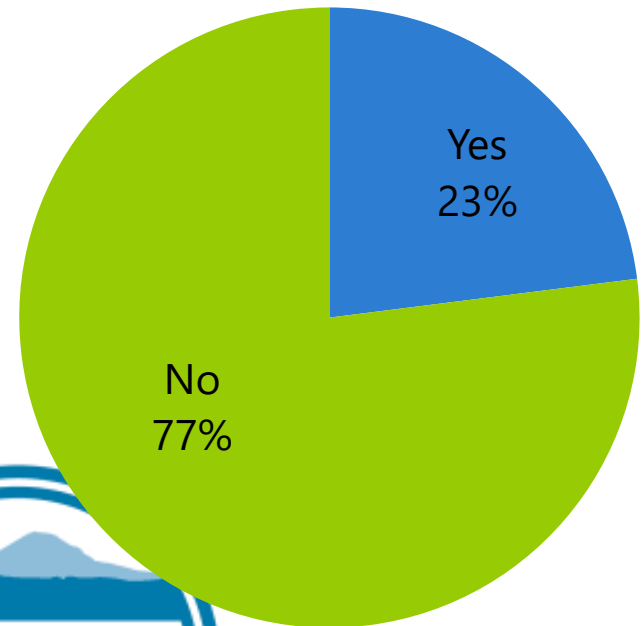
Chamber of Commerce members, those who received financial assistance, those located in the north end business district, and storefronts prefer “community-wide branding and marketing”

Those located in an office building or in a home-based business are interested in “walkability in the north and south end business districts”

Most are not a Chamber Member

Just under a quarter (23%) of survey respondents are members of the Mercer Island Chamber of Commerce

- Businesses located in the north and south end business district as well as those with a storefront are significantly more likely to be Chamber members than those located in an office building or home-based
- Those who obtained financial assistance are significantly more likely to be a Chamber member
- Those doing business on Mercer Island for 15+ years, those with 2+ employees tend to be more likely to be a Chamber member



Unsure of Chamber Relevance

Responding businesses who are not members of the Mercer Island Chamber of Commerce shared a number of reasons for deciding not to join

A theme that emerges is that many businesses (45%) are not sure of the value and relevance to them. (Not sure it would be beneficial/valuable for my business; Not relevant to my business/customers off island; Not needed)

Those who say it is "not relevant to my business/customers off island" are more likely to be home-based

Reasons	%
Not sure it would be beneficial/valuable for my business	23%
Not relevant to my business/customers off-Island	15%
No time	12%
Never thought about it	11%
Wasn't aware of it	9%
Not needed	7%
Don't want to pay dues/no money/cost	5%
New/we are just starting	4%
Would like to join	4%
Doesn't represent interests of Mercer Island businesses	2%
Not interested	2%
Not invited	1%
Other	4%
Don't know/no reason	11%

“

"Not aware of benefit or cost. Thought we needed to be invited."

"Don't understand the value my very small, pop-up style business would get from membership."

"It seems to be too political and does not appear to represent island interests, but off island interests."

"It would be difficult to find the time to attend meetings."

”

Word of Mouth Top Source for Info

Information Source	%
Word of mouth	39%
City of Mercer Island website	37%
Mercer Island Reporter	33%
Nextdoor	30%
Mercer Island Chamber of Commerce	21%
The City's "MI Weekly" e-newsletter	21%
MyMercerIsland.com (website/email newsletter)	14%
Facebook (in general)	11%
Facebook - The City of Mercer Island	10%
City of Mercer Island's "Let's Talk" page with COVID-19 resources for businesses: letstalk.mercergov.org	5%
Facebook – Mercer Island Chamber of Commerce	4%
Instagram (in general)	3%
Instagram – Mercer Island Chamber of Commerce	2%
Instagram – The City of Mercer Island	2%
Mercer Island Rotary	2%
I don't access information regarding the Mercer Island business community	18%
Other	5%

Word of mouth, the City of Mercer Island website, the Mercer Island Reporter, and Nextdoor (mainly word of mouth content) are top resources for information on the Mercer Island businesses

Social media websites including Facebook and Instagram are much less utilized

18% of businesses do not access information regarding the Mercer Island business community at all

Businesses located in the north end business district, storefronts, Chamber members, those receiving financial assistance, those in business for 25+ years, and those with 25+ employees are significantly more likely to be turning to the Chamber of Commerce for business news

Want Information on Promotion

Type of Information	%
Information on taxes/rules and regulations	8%
Ways to market/promote/support my business	8%
Economic development/new business development plans/retention	7%
Information on COVID-19/rules and regulations/PPE	7%
What's happening/local events/info on current and new business/newsletter	7%
Information on grants/loans/tax relief/incentives	6%
Directory of businesses/new businesses/open businesses	5%
Ways to network with others	2%
Parking in business district	1%
Anything/All (general)	8%
None/Nothing	21%
Other	6%

Businesses desire a range of information from the City, most notably for promoting their business/networking; these are more likely to be storefronts or a Chamber member

Older businesses (25+ years) and those with 10-99 employees want information on "COVID-19/rules and regulations/PPE"

“*Local events, and ways to promote my business here on Mercer. I would love to know more about the community and what's going on here.*”

“Resources, marketing opportunities, grants, promotion of Island-based businesses.”

“What businesses are doing to survive during these times, opportunities for partnership and cross-promotion.”

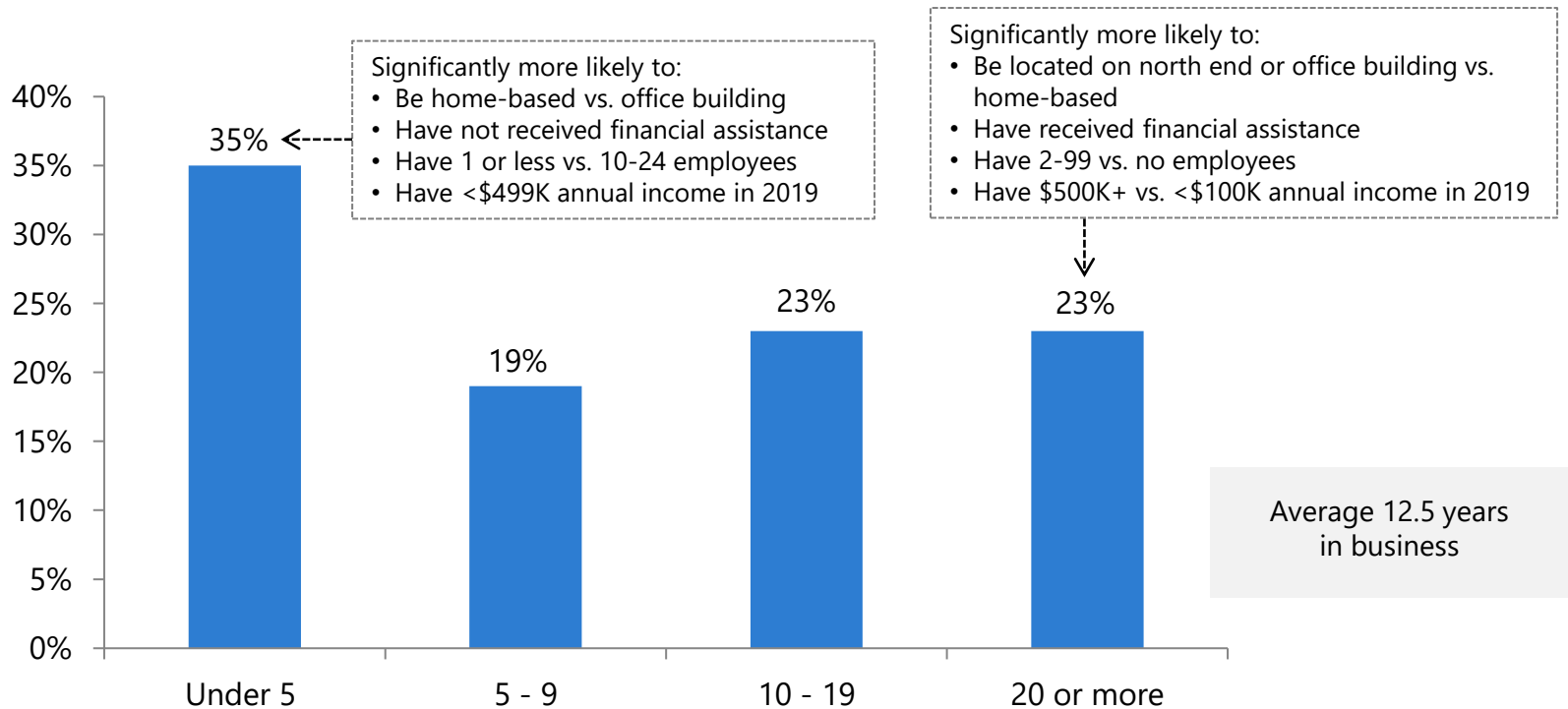
“Proposed regulations/taxes, new developments & businesses.”

“Updates on safe start phases, recommendations on what is safe to open and how to use safely, direction or recommendation on what to or not to open.””

Demographics – Years in Business

A third (35%) of those who participated in the survey have been in business less than 5 years, while 46% have been in business over 10 years. The newer businesses (under 5 years) tend to have not received financial assistance, have under \$500K annual income, and have 0 or 1 employees.

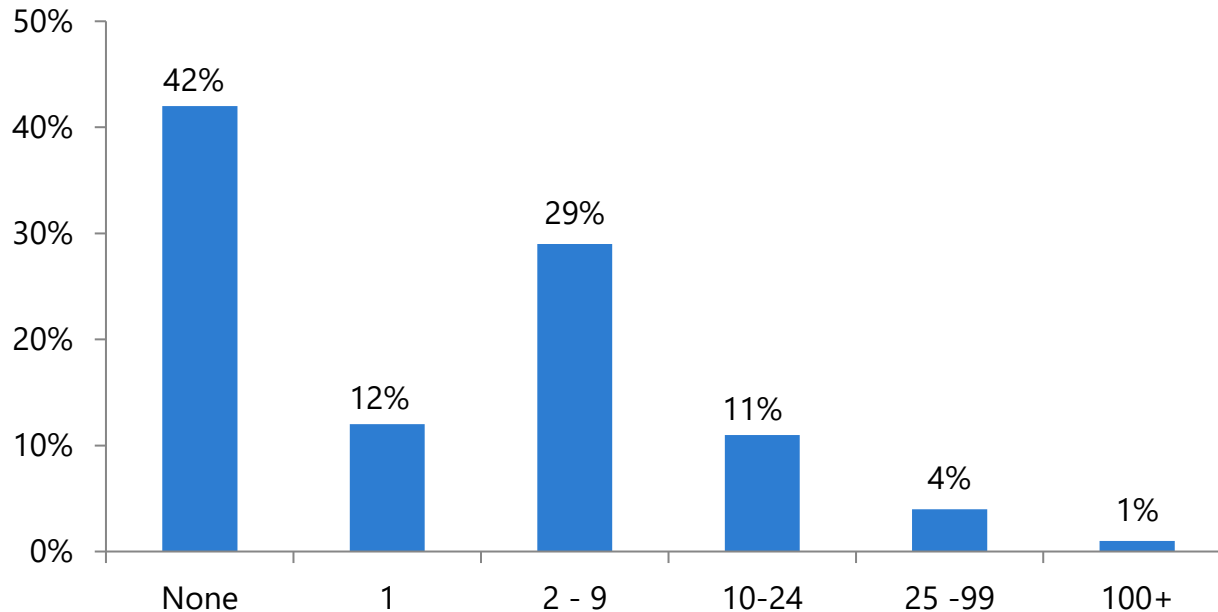
On the other hand, those in business for 20+ years tend to have received financial assistance and be a member of the Chamber of Commerce. They also skew larger with 2-99 employees and \$500K+ in 2019 revenue.



Demographics – Employee Count

Nearly half of Mercer Island businesses responding to this survey have no employees. Home-based businesses and non-Chamber members are significantly more likely to have no employees

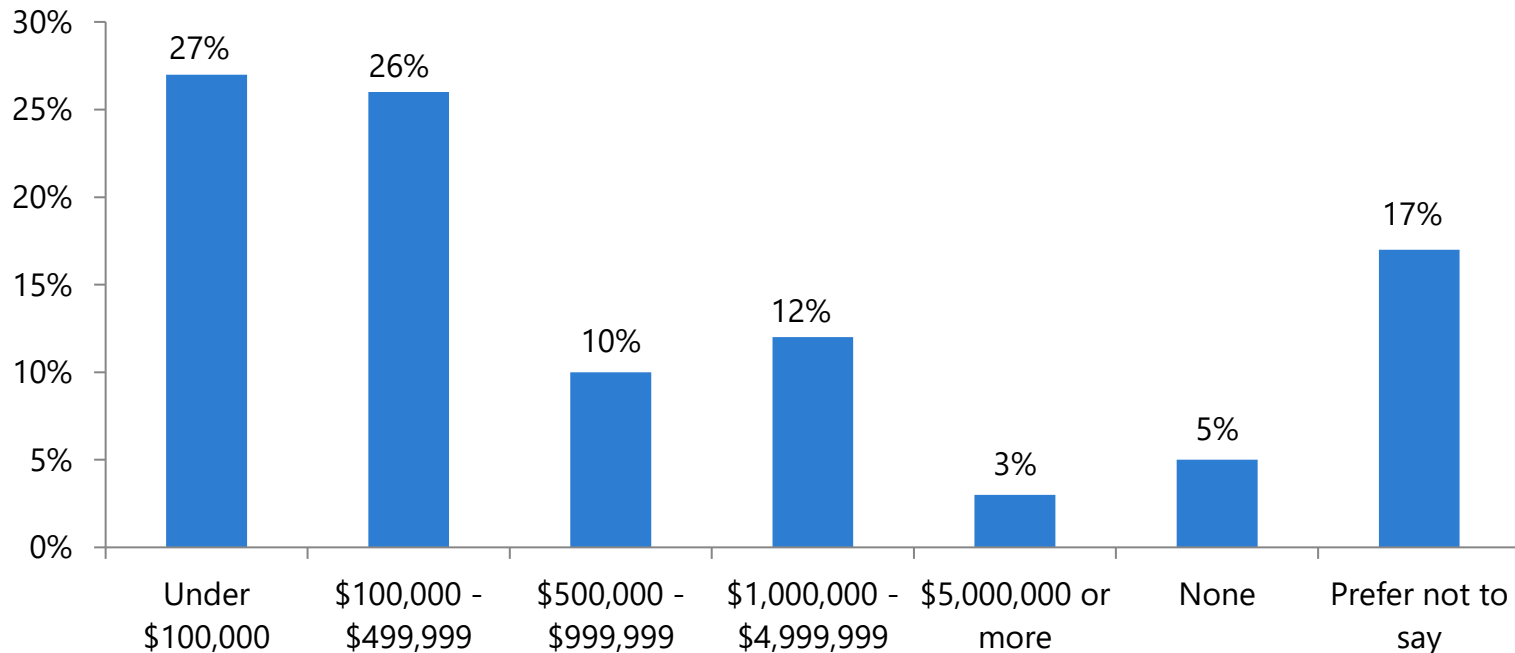
Only 5% of Mercer Island businesses have 25 or more employees



Demographics – 2019 Revenue

Over half (53%) of businesses that participated in this survey have 2019 revenue under \$500K; these tend to have been in business less than 25 years. Those with under \$100K in revenue also tend to be home-based, have not received financial assistance and not be a Chamber member

Those with \$500K-\$4.9M in 2019 revenue tend to be located on the north end, be in office buildings, and have received financial assistance. In addition, those skewing higher in this group at \$1M-\$4.9M also tend to be in storefronts and Chamber members



Consulting, a Common MI Business

Type of Business	%
Consulting	19%
Health/Wellness (dentist, physical therapist, acupuncture, etc.)	11%
Architecture/Engineering/Construction/Contractor	9%
Financial Services (banking, CPA, financial planning, etc.)	9%
Food/Drink Service	7%
Other Professional Services	7%
Personal Services (hair salon, nail salon, etc.)	6%
Retail	6%
Fitness Studio/Gym	6%
Real Estate (commercial, residential, lending, etc.)	6%
Technology Services (software development, web services, etc.)	6%
Artist/Arts Organization	5%
Childcare/Education Services (daycare, preschool, etc.)	5%
Legal Services	5%
Design Services (interior, graphic, etc.)	4%
Manufacturing	2%
Non-profit	2%
Grocery	1%
Other	4%

Nearly 20% of Mercer Island businesses participating in this survey are in Consulting. The next most common types, at around 10% each, are Health/Wellness, Architecture/Engineering/Construction/Contractor, and Financial Services

Consulting businesses on the Island tend to:

- Be home-based
- Have not received financial assistance
- Not be a member of the Chamber of Commerce
- Be in business less than 15 years
- Have under \$500K in 2019 revenue

Health/Wellness businesses tend to:

- Be located on north end and in an office building
- Be in business 1 year or less

Architecture/ Engineering/ Construction/ Contractor tend to have \$5M and up in 2019 revenue

Comments/Suggestions Shared

Suggestions	%
Appreciate the City's efforts	18%
Info for businesses/promotions/assistance	9%
Enforce safety protocols/mask wearing	7%
Open parks/community centers/restaurants	5%
Information on city zoning/codes	4%
Allow outdoor seating at restaurants	2%
Help with PPE	2%
None/Nothing	29%
Other	14%
Don't know	11%

This was an open-ended question, allowing businesses to share anything related to COVID-19 challenges or needs in general

When asked what comments or suggestions they would like to share responding businesses would like:

- Information for businesses/promotions/assistance
- Enforcement of safety protocols/mask wearing
- Opening of parks/community centers/restaurants/outdoor seating

About a third (29%) had no suggestions

Interestingly:

- Chamber members and those with 25-99 employees are significantly more likely to say they appreciate the City's efforts
- Home-based businesses, non-members of the Chamber and those doing business on Mercer Island for a year or less tend to be more likely to say they have no comments or suggestions

“*The only way do develop businesses on MI is to open restaurants and bars.*”
“Keep the parks open. Outside venues are the least likely contributor to COVID-19. Allow restaurants/retail to use sidewalks for outdoor activity.”
“Enforcement of masks in stores.”
“Landlords need to understand the struggles their tenants face.””



Item 1.

APPENDIX

City of Mercer Island Business Survey 2020

You have received this survey because you own or operate a business based on Mercer Island.

Since early March 2020, the [City of Mercer Island](#) has partnered with the [Mercer Island Chamber of Commerce](#) to support local businesses impacted by the COVID-19 crisis. As part of this response, we are conducting this brief survey to learn about the COVID-19-related challenges facing your business as well as other general needs you have as a Mercer Island business.

This survey contains 18 questions and will take approximately 7 minutes to complete. Your responses will inform future efforts to support the Mercer Island business community during the COVID-19 crisis and beyond.

Questions? Contact Sarah Bluvas, Small Business Liaison for the City of Mercer Island's EOC Operations Section: sarah.bluvas@mercergov.org | 206.275.7864

Thank you for your time! We truly appreciate your input.

Q1. Which of the following best describes your business location? (Check all that apply.)

- Located in the north end business district **38%**
- Located in the south end business district **6%**
- Store front **11%**
- Located within an office building **18%**
- In-home/home-based business **48%**
- Other (please specify) _____ **4%**
- I no longer have a business based on Mercer Island (DP NOTE: END SURVEY) **1%**

Q2. What challenges are you facing, at this time and going forward, due to COVID-19? (Please read answers carefully. Check all that apply.)

- Keeping up with/figuring out the Federal rules regarding available COVID-19 related loans **27%**
- Keeping up with/figuring out the State-mandated COVID-19 phases/rules **28%**
- Business has increased significantly **4%**
- Business has decreased significantly **46%**
- Trouble paying rent/accessing rent relief **8%**
- Working with vendors to delay delivering orders we no longer need, cannot pay for at this time, etc. **2%**
- Working with creditors to agree to let us delay our payments **3%**

- Had to lay off employees **9%**
- Had to cut employees' hours **12%**
- Had to cut employees' pay/salary **5%**
- Trying to open/stay open, but cannot find staff/my staff does not want to work **5%**
- Additional expenses related to reopening (e.g., PPE, extra cleaning, signage) **21%**
- Have to add online store **5%**
- Have to add pickup/delivery service **4%**
- Providing adequate parking for customers/clients **3%**
- Have to add new product offerings **6%**
- Have to find a new customer base **12%**
- Have to reconfigure business location to support social distancing **13%**
- Face challenges from customers or employees who do not comply with Safe Start guidelines/practices (e.g., social distancing, mask wearing, etc.) **12%**
- Have to adapt to new sanitizing protocols **24%**
- Business had to close **5%**
- Other (please specify) _____ **11%**
- Not facing any challenges due to COVID-19 **11%**
- Lower revenue/lost customers **5%***
- Challenge of staff working from home **3%***
- Difficulty meeting with clients **2%***
- Don't know/NA **1%***

Q3. Have you received any of the following financial assistance during the COVID-19 crisis? (Check all that apply.)

- Paycheck Protection Program Loan (PPP) **39%**
- SBA Economic Injury Disaster Loan (EIDL) **14%**
- Working Washington Small Business Emergency Grant **2%**
- WeLoveMI campaign **7%**
- Private loans, lines of credit, etc. from your banking institution **3%**
- Other Federal, State, or Local funding sources **2%**
- Other private loan or grant programs (e.g., Facebook Small Business Grant Program) **3%**
- I have not pursued any financial assistance **48%**
- I applied for some of these, but did not receive any financial assistance **3%**
- Other (please specify) _____ **2%**

Q4. What changes have you made or are considering making due to COVID-19?

Employees work at home/remotely **11%**
 Online meetings/ZOOM, meet with staff and customers online **11%**
 Social distancing/Safety protocols/Reconfiguring space for distancing **9%**
 Reduce number of staff/ customers in facility/office **8%**
 Extra cleaning/sanitizing **8%**
 Develop/increase online presence/sales **8%**
 Masks/PPE **7%**
 Reduced hours of operation **5%**
 Increase advertising/marketing **4%**
 Lots of changes/new things to learn **4%**
 Business on hold/delayed due to uncertainty **3%**
 Closing some of our facilities to public **3%**
 Cutting expenses **3%**
 Downsize office space/rent **3%**
 Following rules/guidelines (general) **3%**
 Reduce charges/fee for service **3%**
 Considering home office/have home office **2%**
 Pick-up/delivery of goods/to go **2%**
 Staffing changes **2%**
 No travel **1%**
 None **19%**
 Other **9%**
 Don't know/NA **3%**

Q5. Have you heard of the City of Mercer Island's Let's Talk webpage for businesses found at "letstalk.mercergov.org/coronavirus_business"?

- Yes, I've heard of it and have visited the website **10%**
- Yes, I've heard of it, but have not visited the website yet **21%**
- No, I have not heard of it **69%**

Q6. During the COVID-19 crisis, the City of Mercer Island has taken several actions to support local Island businesses. Which, if any, of the following efforts are you aware of? (Check all that apply.)

- Appointed a staff member to serve as Small Business Liaison during the City's emergency response **22%**
- Connected local businesses with/provided guidance on available financial and other relief resources (e.g., Paycheck Protection Program, Safe Start plan, webinar series) **18%**
- Implemented priority pick-up zones for retail and food pick-up in Mercer Island Town Center **24%**
- Enacted emergency policies to assist Island businesses (e.g., B&O tax payment deadline extension) **11%**

- Coordinated marketing and outreach campaigns to promote local businesses (e.g., #TakeoutTuesday social media campaign) **20%**
- Redistributed park picnic tables to other locations to facilitate more public outdoor seating **11%**
- Secured grants to fund projects to support local businesses **9%**
- I was not aware of any of these efforts **53%**
- Other (specify) _____ **3%**

Q7. While operating with limited staff capacity and financial resources, the City of Mercer Island and the Mercer Island Chamber of Commerce continue to seek ways to support local businesses during the COVID-19 crisis. If resources were available, which of the following would help your business most during this emergency? (Please read list carefully. Pick up to three.)

- Resources for acquiring PPE supplies **16%**
- Assistance seeking commercial rental relief/other needs related to commercial property **12%**
- A way to let customers know you are now open **7%**
- Promoting your business through the City of Mercer Island's Let's Talk page with COVID-19 resources for businesses (letstalk.mercergov.org/coronavirus_business) **22%**
- Connecting your business with marketing assistance (e.g., social media marketing, creative advertising design) **18%**
- Connecting your business with technical assistance (e.g., website development, CPA) **10%**
- Connecting your business with ways to partner with other local business to enhance/promote products/services **17%**
- Exploring temporary codes/policies to enable customers to more easily access your products/services (e.g., code amendments to allow outdoor dining/shopping, priority pick-up/parking zones for retail and food pick-up) **8%**
- Other (specify) _____ **7%**
- Don't know what would help **19%**
- Nothing will help/Not needed **19%**
- Additional City staff/Open facilities/spaces **2%***

Q8. In the future, the City of Mercer Island may have the opportunity to implement policy or other actions to assist Mercer Island businesses. Thinking long-term, which of these policy or program areas would you want the City to explore on behalf of local businesses? (Pick up to two.)

- Parking in north and south end business districts (e.g., amount of parking, illegal parking) **24%**
- Walkability in north and south end business districts **14%**
- Helping people find their way to/from north and south end business districts **4%**

- Community-wide branding and marketing (e.g., Visit Mercer Island – Shop, Eat, and Enjoy) **16%**
- Business attraction **18%**
- Business retention **14%**
- Tourism development **3%**
- Funding mechanisms to support local businesses (e.g. tax-related district designation, regional/federal grants) **19%**
- Other (please specify) _____ **6%**
- Don't know what to suggest **21%**
- Nothing **8%**

Changing to zoning/coding to aid business **4%**

Q9. Are you a member of the Mercer Island Chamber of Commerce?

- Yes (SKIP TO Q11) **23%**
- No **77%**

Q10. For what reasons have you chosen not to join the MI Chamber of Commerce?

Not sure it would be beneficial/valuable for my business **23%**

Not relevant to my business/customers off-Island **15%**

No time **12%**

Never thought about it **11%**

Wasn't aware of it **9%**

Not needed **7%**

Don't want to pay dues/no money/cost **5%**

New/we are just starting **4%**

Would like to join **4%**

Doesn't represent interests of MI businesses **2%**

Not interested **2%**

Not invited **1%**

Other **4%**

Don't know/no reason **11%**

Q11. Where do you currently access information regarding resources and opportunities for the Mercer Island business community? (Pick as many as apply.)

- Mercer Island Reporter **33%**
- Mercer Island Chamber of Commerce **21%**
- Mercer Island Rotary **2%**

- City of Mercer Island website **37%**
- City of Mercer Island's "Let's Talk" page with COVID-19 resources for businesses: letstalk.mercergov.org **5%**
- The City's "MI Weekly" e-newsletter **21%**
- Nextdoor **30%**
- Facebook – The City of Mercer Island **10%**
- Facebook – Mercer Island Chamber of Commerce **4%**
- Facebook (in general) **11%**
- Instagram – The City of Mercer Island **2%**
- Instagram – Mercer Island Chamber of Commerce **2%**
- Instagram (in general) **3%**
- MyMercerIsland.com (website/email newsletter) **14%**
- Word of mouth **39%**
- Other (specify) _____ **5%**
- I don't access information regarding the MI business community **18%**

Q12. What type of information related to the local business community are you interested in receiving from the City?

Information on taxes/rules and regulations **8%**

Ways to market/promote/support my business **8%**

Economic development/new business development plans/retention **7%**

Information on COVID-19/rules and regulations/PPE **7%**

What's happening/local events/info on current and new business/newsletter **7%**

Information on grants/loans/ tax relief/incentives **6%**

Directory of businesses/new businesses/open businesses **5%**

Ways to network with others **2%**

Parking in business district **1%**

Anything/All (general) **8%**

None/Nothing **21%**

Other **6%**

Q13. How many years have you been doing business on Mercer Island?

_____ years

Under 5 years **35%**

5-9 years **19%**

10-19 years **23%**

20 or more years **23%**

Q14. How many employees (full or part-time, excluding yourself) do you have?

- None 42%
- 1 12%
- 2 – 9 29%
- 10 – 24 11%
- 25 – 99 4%
- 100 – 499 1%
- 500 + 0%

Q15. What is your annual revenue for 2019?

- Under \$100,000 27%
- \$100,000 - \$499,999 26%
- \$500,000 - \$999,999 10%
- \$1,000,000 - \$4,999,999 12%
- \$5,000,000 or more 3%
- None 5%
- Prefer not to say 17%

Q16. Which of the following best describes your business? (Check all that apply.)

- Architecture/Engineering/Construction/Contractor 9%
- Artist/Arts Organization 5%
- Consulting 19%
- Childcare/Education Services (daycare, preschool, etc.) 5%
- Design Services (interior, graphic, etc.) 4%
- Financial Services (banking, CPA, financial planning, etc.) 9%
- Fitness Studio/Gym 6%
- Food/Drink Service 7%
- Grocery 1%
- Health/Wellness (dentist, physical therapist, acupuncture, etc.) 11%
- Legal Services 5%
- Manufacturing 2%
- Other Professional Services 7%
- Personal Services (hair salon, nail salon, etc.) 6%
- Real Estate (commercial, residential, lending, etc.) 6%
- Retail 6%
- Technology Services (software development, web services, etc.) 6%
- Other (specify) _____ 4%
- Non-profit 2%*

Q17. What other comments or suggestions would you like to share related to COVID-19 related challenges facing your business or other general needs you may have as a Mercer Island business?

- Appreciate the City's efforts 18%*
- Info for businesses/promotions/assistance 9%*
- Enforce safety protocols/mask wearing 7%*
- Open parks/community centers/restaurants 5%*
- Information on city zoning/codes 4%*
- Allow outdoor seating at restaurants 2%*
- Help with PPE 2%*
- None/Nothing 29%*
- Other 14%*
- Don't know 11%*

Q18. We will keep local business owners updated on our progress. If you would like to be added to our email list (you can opt out at any time), please provide your email address.

(Please note that your email address will not be connected to your responses. All survey participants and your responses will remain confidential.)

Thank you for sharing your opinions and experience with us.

8720 SE 45th Street
Mercer Island, WA 98040

www.hardwickresearch.com

For more information
call 206-232-9400 or fax 206-232-9402
info@hardwickresearch.com



MARKET RESEARCH SERVICES

CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	204228-204293	7/31/2020	\$ 190,068.99
			\$ 190,068.99

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
Org Key: 001000 - General Fund-Admin Key				
P0108219	00204248	Fyles, Maria	Rental FA-3344 cancelled due t	3,371.50
P0107793	00204257	Kline, Kathy	Rec program refund due to COVI	11.99
Org Key: 402000 - Water Fund-Admin Key				
P0108145	00204280	SEATTLE PUBLIC UTILITIES	JUNE 2020 SPU CHARGE FOR RETAI	8,569.00
P0108139	00204250	H D FOWLER	INVENTORY PURCHASES	6,694.46
P0108145	00204280	SEATTLE PUBLIC UTILITIES	MAY 2020 SPU CHARGE FOR RETAIL	4,825.00
P0108145	00204280	SEATTLE PUBLIC UTILITIES	APRIL 2020 SPU CHARGE FOR RETA	3,744.00
P0108196	00204259	LAKESIDE INDUSTRIES	INVENTORY PURCHASES	1,745.70
P0108220	00204243	CUZ CONCRETE PRODUCTS INC.	INVENTORY PURCHASES	862.62
P0108113	00204249	GRAINGER	INVENTORY PURCHASES	389.45
P0108128	00204247	EXCEL SUPPLY COMPANY	INVENTORY PURCHASES	352.55
P0108221	00204249	GRAINGER	INVENTORY PURCHASES	152.46
Org Key: 814074 - Garnishments				
	00204289	UNITED STATES TREASURY	PAYROLL EARLY WARRANTS	826.84
Org Key: 814075 - Mercer Island Emp Association				
	00204266	MI EMPLOYEES ASSOC	PAYROLL EARLY WARRANTS	242.50
Org Key: CA1100 - Administration (CA)				
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	48.99
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	35.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	35.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	-250.00
Org Key: CM1100 - Administration (CM)				
P0108223	00204253	ICMA	Annual Membership Renewal J. B	1,400.00
	00204290	US BANK CORP PAYMENT SYS	Office Supplies	125.39
	00204290	US BANK CORP PAYMENT SYS	Reimbursed by KT on 7/13	16.48
Org Key: CR1100 - Human Resources				
P0108209	00204251	HEALTHFORCE PARTNERS INC	New hire physical	675.00
	00204290	US BANK CORP PAYMENT SYS	Annual Membership	219.00
	00204290	US BANK CORP PAYMENT SYS	Recruitment advertising	100.00
	00204290	US BANK CORP PAYMENT SYS	Recruitment advertising	50.00
	00204290	US BANK CORP PAYMENT SYS	Recruitment advertising	50.00
Org Key: CT1100 - Municipal Court				
P0108200	00204293	XEROX CORPORATION	Xerox - invoice 010873160	125.88
	00204241	COMPLETE OFFICE	Office Supplies - Aug 2020	73.98
	00204241	COMPLETE OFFICE	Office Supplies May 2020	33.58
Org Key: DS0000 - Development Services-Revenue				
P0108226	00204268	MI SCHOOL DISTRICT #400	Q1 & Q2 2020 School Impact Fee	11,686.22
Org Key: DS1100 - Administration (DS)				
P0108227	00204244	EA ENG, SCIENCE, AND TECH INC	Peer review for SEP17-020	6,747.47
P0108225	00204246	ESA	Peer review for CAO20-001	1,721.10
P0108225	00204246	ESA	Peer review for SHL20-016	1,347.33
	00204290	US BANK CORP PAYMENT SYS	Services - Technology Fee	703.82
	00204290	US BANK CORP PAYMENT SYS	MBP Merchant Fee	54.10

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00204290	US BANK CORP PAYMENT SYS	Tuition & Registrations	29.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	26.99
	00204241	COMPLETE OFFICE	Office Supplies May 2020	14.17
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	10.81
<i>Org Key: DS1200 - Bldg Plan Review & Inspection</i>				
P0108224	00204278	SAFE BUILT WASHINGTON LLC	Inspection covered June 15 & 2	144.00
	00204290	US BANK CORP PAYMENT SYS	Tuition & Registrations	29.00
<i>Org Key: FN1100 - Administration (FN)</i>				
	00204237	Coleman, James	CIP Consultant Services	2,600.00
<i>Org Key: FN2100 - Data Processing</i>				
P0108202	00204265	METROPRESORT	2ND QTR B&O PRINTING AND MAIL	254.13
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	68.96
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	63.47
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	68.96
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	63.47
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	68.96
P0108202	00204265	METROPRESORT	JULY 2020 PRINTING & MAILING O	63.48
<i>Org Key: FR1100 - Administration (FR)</i>				
P0108189	00204283	SYSTEMS DESIGN WEST LLC	June 2020 Transport Billing	1,051.06
P0108185	00204291	WALTER E NELSON CO	Household Supplies	297.00
P0108191	00204277	RICOH USA INC	Cost Per Copy/Fire	213.59
	00204290	US BANK CORP PAYMENT SYS	Lights and Ballasts for Statio	210.85
	00204235	CENTURYLINK	CENTURY LINK JUNE 2020	179.28
	00204241	COMPLETE OFFICE	Office Supplies - Aug 2020	90.90
	00204290	US BANK CORP PAYMENT SYS	Weed Killer	35.84
	00204290	US BANK CORP PAYMENT SYS	Flame Resistant Sealant	24.82
	00204290	US BANK CORP PAYMENT SYS	Hose Kit/Station 92 Kitchen Fa	21.87
	00204290	US BANK CORP PAYMENT SYS	Monthly membership fee	14.29
P0108184	00204240	COMCAST	Internet Charges/Fire	11.43
	00204290	US BANK CORP PAYMENT SYS	Photo for Photo Board	3.29
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	1.86
<i>Org Key: FR1200 - Fire Marshal</i>				
	00204290	US BANK CORP PAYMENT SYS	Updated: this is for certifica	120.00
	00204290	US BANK CORP PAYMENT SYS	Laser Measure Tape	35.19
	00204290	US BANK CORP PAYMENT SYS	Decibel Noise Tester	17.59
<i>Org Key: FR2100 - Fire Operations</i>				
P0108186	00204245	EASTSIDE FIRE & RESCUE	Parts 7609	2,013.88
P0108186	00204245	EASTSIDE FIRE & RESCUE	Labor 7609	1,910.15
P0108188	00204279	SEA WESTERN INC	Helmet (from March - Invoice n	362.49
P0108187	00204251	HEALTHFORCE PARTNERS INC	Respiratory Clearance	160.00
	00204290	US BANK CORP PAYMENT SYS	Def Fluid	86.08

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00204290	US BANK CORP PAYMENT SYS	UPDATED: Purchase was Def Flu	21.99
	00204290	US BANK CORP PAYMENT SYS	Def Fluid	21.99
<i>Org Key: FR2400 - Fire Suppression</i>				
P0107899	00204262	LN CURTIS & SONS	Reducers and Caps	419.69
	00204290	US BANK CORP PAYMENT SYS	Hazmat Supplies	204.00
<i>Org Key: GGM001 - General Government-Misc</i>				
P0108228	00204270	POT O' GOLD INC	Coffee and tea supplies	511.08
P0108228	00204270	POT O' GOLD INC	Water filter	68.31
P0108228	00204270	POT O' GOLD INC	Water cooler	27.50
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
	00204241	COMPLETE OFFICE	Office Supplies - Aug 2020	1,330.26
	00204241	COMPLETE OFFICE	Office Supplies May 2020	549.95
P0108229	00204293	XEROX CORPORATION	Print & copy charges for CPD c	158.29
	00204241	COMPLETE OFFICE	Office Supplies May 2020	143.39
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
P0108192	00204234	CALLAGHAN, MICHAEL	LEOFF1 Retiree Medical Expense	185.06
P0108193	00204263	LOISEAU, LERI M	LEOFF1 Retiree Medical Expense	143.07
<i>Org Key: GGM100 - Emerg Incident Response</i>				
	00204290	US BANK CORP PAYMENT SYS	N95 Masks	1,475.60
P0107228	00204292	WAXIE SANITARY SUPPLY	Sanitizing Equipment Both Stat	1,126.18
	00204290	US BANK CORP PAYMENT SYS	mist spray bottles for hand sa	175.60
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	93.46
	00204290	US BANK CORP PAYMENT SYS	new shower curtains for city h	42.87
	00204290	US BANK CORP PAYMENT SYS	spray bottles for facilities	39.46
	00204290	US BANK CORP PAYMENT SYS	credit back for not receiving	-593.28
<i>Org Key: IGV012 - MW Pool Operation Subsidy</i>				
P0106607	00204268	MI SCHOOL DISTRICT #400	MI Pool Operation Subsidy	11,902.17
<i>Org Key: IS2100 - IGS Network Administration</i>				
P0108149	00204232	CHIP GEORGE INC	CP Modem Support and Maintenanc	6,517.22
P0107406	00204256	ISSQUARED INC.	Cisco Firewall/VPN Annual	1,715.98
	00204290	US BANK CORP PAYMENT SYS	Services - Software Maint/Supt	1,455.30
	00204235	CENTURYLINK	CENTURY LINK JUNE 2020	682.96
P0108236	00204264	MAGNAS LLC	Monthly Long Distance Calls 20	321.79
P0108236	00204264	MAGNAS LLC	Monthly Long Distance Calls 20	238.59
P0108236	00204264	MAGNAS LLC	Monthly Long Distance Calls 20	228.61
P0108236	00204264	MAGNAS LLC	Monthly Long DIstance Calls 20	213.20
	00204290	US BANK CORP PAYMENT SYS	Computer Supplies	206.76
P0108236	00204264	MAGNAS LLC	Monthly Long DIstance Calls 20	198.33
P0108236	00204264	MAGNAS LLC	Monthly Long Distance Calls 20	181.51
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	89.25
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	52.70
	00204290	US BANK CORP PAYMENT SYS	Professional Services	23.18
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	18.33
<i>Org Key: MT2100 - Roadway Maintenance</i>				
	00204274	PUGET SOUND ENERGY	PSE JUNE 2020	4,059.55

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108197	00204230	ALPINE PRODUCTS INC	HOT PINK LOCATE PAINT	65.40
<i>Org Key: MT2150 - Pavement Marking</i>				
P0108222	00204249	GRAINGER	7 GAL. ROUND PAIL	96.93
<i>Org Key: MT3100 - Water Distribution</i>				
P0108216	00204250	H D FOWLER	3/8" POLY TUBING, 250 PSI	109.45
P0108198	00204267	MI HARDWARE - UTILITY	MISC. HARDWARE FOR THE MONTH O	10.88
<i>Org Key: MT3150 - Water Quality Event</i>				
P0108190	00204265	METROPRESORT	JULY 2020 MAILING OF BACKFLOW	1,186.86
<i>Org Key: MT3200 - Water Pumps</i>				
	00204235	CENTURYLINK	CENTURY LINK JUNE 2020	3,976.27
<i>Org Key: MT3400 - Sewer Collection</i>				
P0108198	00204267	MI HARDWARE - UTILITY	MISC. HARDWARE FOR THE MONTH O	83.31
	00204290	US BANK CORP PAYMENT SYS	Small Tools & Equipment	21.89
<i>Org Key: MT3500 - Sewer Pumps</i>				
P0106461	00204233	AT&T MOBILITY	2020 TELEMETRY	400.40
	00204274	PUGET SOUND ENERGY	PSE JUNE 2020	127.32
P0108195	00204252	HOME DEPOT CREDIT SERVICE	STORAGE BINS	86.08
P0108198	00204267	MI HARDWARE - UTILITY	MISC. HARDWARE FOR THE MONTH O	15.83
<i>Org Key: MT4150 - Support Services - Clearing</i>				
P0106497	00204239	COMCAST	2020 PW WIFI SERVICE	96.39
P0106497	00204239	COMCAST	2020 PW WIFI SERVICE	96.39
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	65.94
P0106697	00204242	CRYSTAL AND SIERRA SPRINGS	PW WATER DELIVERY	46.03
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	44.27
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	42.88
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	16.48
<i>Org Key: MT4200 - Building Services</i>				
P0108194	00204285	TRAFFIC SAFETY SUPPLY	"PARKING LOT CLOSED DO NOT BLO	1,133.22
P0108232	00204252	HOME DEPOT CREDIT SERVICE	TOTES & DRILL BITS	150.81
<i>Org Key: MT4300 - Fleet Services</i>				
P0106928	00204268	MI SCHOOL DISTRICT #400	2020 MISD SCHOOL DISTRICT FUEL	6,233.45
P0108215	00204282	SME SOLUTIONS LLC	REPAIR FUEL PUMP AT FIRE STATI	1,854.88
P0106772	00204231	AMERIGAS-1400	2020 PROPANE DELIVERY	250.07
P0108230	00204228	ALL BATTERY SALES & SERVICE	BATTERY	124.25
P0108214	00204261	LEE JOHNSON CHEVROLET	REPAIR FOR FL-0490	104.98
P0107063	00204272	PRAXAIR DISTRIBUTION INC	2020 ACETYLEN & OXYGEN TANK RE	55.90
	00204290	US BANK CORP PAYMENT SYS	Fuel - MI100	35.63
	00204290	US BANK CORP PAYMENT SYS	Fuel - MI100	28.69
<i>Org Key: MT4420 - Transportation Planner Eng</i>				
P0107491	00204229	ALL-PHASE ELECTRIC	LED STREET LIGHT FIXTURES	8,354.50
<i>Org Key: PO1100 - Administration (PO)</i>				
P0108208	00204233	AT&T MOBILITY	First Net phone service	937.29
P0108211	00204271	PowerDMS	PowerDMS Invoice #37437	867.19

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00204241	COMPLETE OFFICE	Office Supplies May 2020	246.20
	00204290	US BANK CORP PAYMENT SYS	Notary License renewal - Magna	30.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	23.05
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	-23.05
<i>Org Key: PO1350 - Police Emergency Management</i>				
P0108210	00204275	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone	54.00
<i>Org Key: PO1700 - Records and Property</i>				
P0108205	00204293	XEROX CORPORATION	PD copier	414.63
<i>Org Key: PO1900 - Jail/Home Monitoring</i>				
P0108213	00204255	ISSAQUAH JAIL, CITY OF	June jail housing	2,910.00
<i>Org Key: PO2100 - Patrol Division</i>				
	00204290	US BANK CORP PAYMENT SYS	Uniform Supplies - Safety Vest	441.94
	00204290	US BANK CORP PAYMENT SYS	Patrol uniforms for new hires	413.95
	00204290	US BANK CORP PAYMENT SYS	New hire uniform/equipment ite	324.96
	00204290	US BANK CORP PAYMENT SYS	New hire uniform/equipment ite	304.71
	00204290	US BANK CORP PAYMENT SYS	Patrol Supplies - DVD's / Case	296.85
	00204290	US BANK CORP PAYMENT SYS	New hire uniform/equipment ite	293.15
	00204290	US BANK CORP PAYMENT SYS	Patrol Tools - ASP	292.60
	00204290	US BANK CORP PAYMENT SYS	Supplies/Food EOC Operations	226.05
	00204290	US BANK CORP PAYMENT SYS	Supplies/Food EOC Operations	212.93
	00204290	US BANK CORP PAYMENT SYS	New hire uniform/equipment ite	208.51
	00204290	US BANK CORP PAYMENT SYS	Uniforms for new officers	208.51
	00204290	US BANK CORP PAYMENT SYS	Patrol Equipment - gloves, gla	205.56
	00204290	US BANK CORP PAYMENT SYS	Patrol Equipment - 3 Nylon dut	143.73
	00204290	US BANK CORP PAYMENT SYS	Uniforms for new officers	109.73
P0108143	00204236	CLEANERS PLUS 1	PD Uniform Cleaning June	99.22
	00204290	US BANK CORP PAYMENT SYS	Mistaken Charge - refunded on	57.08
	00204290	US BANK CORP PAYMENT SYS	Bins for locker room uniform t	54.91
	00204290	US BANK CORP PAYMENT SYS	Supplies/Food EOC Operations	53.63
	00204290	US BANK CORP PAYMENT SYS	Supplies/Food EOC Operations	41.69
	00204290	US BANK CORP PAYMENT SYS	Coffee Order - EOC and Officer	41.69
	00204290	US BANK CORP PAYMENT SYS	Coffee Order - EOC and Officer	39.49
	00204290	US BANK CORP PAYMENT SYS	Supplies/Food EOC Operations	11.54
	00204290	US BANK CORP PAYMENT SYS	Credit for mistaken charge on	-57.30
<i>Org Key: PO2201 - Dive Team</i>				
P0108207	00204286	UNDERWATER SPORTS INC.	Dive team equipment	1,982.76
P0108206	00204287	UNDERWATER SPORTS INC	Dive Team equipment	99.09
P0108206	00204287	UNDERWATER SPORTS INC	Dive Team equipment	57.14
<i>Org Key: PO3100 - Investigation Division</i>				
P0108212	00204260	LEADSONLINE.COM	Leads online renewal	1,908.00
P0108204	00204284	THOMSON REUTERS - WEST	West info charges	421.43
<i>Org Key: PO4100 - Firearms Training</i>				
P0108146	00204273	PROFORCE LAW ENFORCEMENT	Police holsters Invoice #41496	667.59
P0108217	00204276	RENTON FISH & GAME CLUB INC	PD training range fees	50.00
<i>Org Key: PO4300 - Police Training</i>				

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00204290	US BANK CORP PAYMENT SYS	CEW Instructor Recertification	495.00
<i>Org Key: PR1100 - Administration (PR)</i>				
P0108218	00204269	NEOPOST USA INC	Final Payment Postage Machine	230.40
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	59.39
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	43.99
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	43.12
<i>Org Key: PR2100 - Recreation Programs</i>				
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	-100.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	-574.00
<i>Org Key: PR4100 - Community Center</i>				
P0108231	00204249	GRAINGER	TOILET BRUSHES, CADDIES & CLOS	61.08
<i>Org Key: PR6100 - Park Maintenance</i>				
P0108179	00204254	ISSAQUAH HONDA KUBOTA	Weed Eater heads and grease	204.72
	00204290	US BANK CORP PAYMENT SYS	1st Aid/CPR recert class - Han	117.00
	00204290	US BANK CORP PAYMENT SYS	Flagger cert class - Hansen	77.00
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
	00204235	CENTURYLINK	CENTURY LINK JUNE 2020	84.35
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
	00204274	PUGET SOUND ENERGY	PSE JUNE 2020	437.34
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
P0106552	00204288	UNITED SITE SERVICES	Lid Parking Boat Launch - 2020	205.23
	00204290	US BANK CORP PAYMENT SYS	Online irrigation controls sys	74.75
<i>Org Key: WG130E - Equipment Rental Vehicle Repl</i>				
P0106614	00204238	COLUMBIA FORD	PW VEHICLE REPLACEMENT FL-0420	35,631.08
<i>Org Key: WP915P - LB Docks Pier Renovation</i>				
P0107597	00204258	KPFF CONSULTING ENGINEERS	Fixed Pier Luther Burbank Dock	3,033.50
<i>Org Key: WP915R - LB Docks New Floating Docks</i>				
P0107597	00204258	KPFF CONSULTING ENGINEERS	Floating Docs - Luther Burbank	500.00
<i>Org Key: WS713T - SCADA System Upgrade</i>				
P0108195	00204252	HOME DEPOT CREDIT SERVICE	HAMMER CORE BITS	202.37
<i>Org Key: YF1100 - YFS General Services</i>				
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	447.67
P0108218	00204269	NEOPOST USA INC	Final payment postage machine	230.40
	00204290	US BANK CORP PAYMENT SYS	Staff certified counselor cert	227.50
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	55.00
<i>Org Key: YF1200 - Thrift Shop</i>				
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	528.00
	00204235	CENTURYLINK	CENTURY LINK JUNE 2020	186.69
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	48.05
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	44.45
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	11.00

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: YF2600 - Family Assistance</i>				
P0106396	00204281	SHOREWOOD #14885	Rental assistance for Emergenc	1,000.00
	00204290	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	550.00
	00204290	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	525.00
	00204290	US BANK CORP PAYMENT SYS	Food cards for Emergency Assis	500.00
	00204290	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	500.00
	00204290	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	500.00
	00204290	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	500.00
	00204290	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	500.00
	00204290	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	267.93
	00204290	US BANK CORP PAYMENT SYS	For Emergency Assistance Clie	263.06
	00204290	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	44.82
	00204290	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	43.94
<i>Org Key: YF2850 - Federal SPF Grant</i>				
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	511.41
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	250.00
	00204290	US BANK CORP PAYMENT SYS	Operating Supplies	18.75
Total				190,068.99

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204228	07/31/2020	ALL BATTERY SALES & SERVICE BATTERY	P0108230	61252015	07/15/2020	124.25
00204229	07/31/2020	ALL-PHASE ELECTRIC LED STREET LIGHT FIXTURES	P0107491	2338-513415.01	06/01/2020	8,354.50
00204230	07/31/2020	ALPINE PRODUCTS INC HOT PINK LOCATE PAINT	P0108197	TM-195323	07/09/2020	65.40
00204231	07/31/2020	AMERIGAS-1400 2020 PROPANE DELIVERY	P0106772	3109616938	07/23/2020	250.07
00204232	07/31/2020	CHIP GEORGE INC CP Modem Support and Maintenanc	P0108149	3132	07/17/2020	6,517.22
00204233	07/31/2020	AT&T MOBILITY 2020 TELEMETRY	P0108208	X07192020	07/11/2020	1,337.69
00204234	07/31/2020	CALLAGHAN, MICHAEL LEOFF1 Retiree Medical Expense	P0108192	OH013651	07/27/2020	185.06
00204235	07/31/2020	CENTURYLINK CENTURY LINK JUNE 2020		OH013644	07/28/2020	5,109.55
00204236	07/31/2020	CLEANERS PLUS 1 PD Uniform Cleaning June	P0108143	73077	07/01/2020	99.22
00204237	07/31/2020	Coleman, James CIP Consultant Services		OH013646	04/15/2020	2,600.00
00204238	07/31/2020	COLUMBIA FORD PW VEHICLE REPLACEMENT FL-0420	P0106614	3-L1795	07/24/2020	35,631.08
00204239	07/31/2020	COMCAST 2020 PW WIFI SERVICE	P0106497	0365550-0820.01	07/14/2020	192.78
00204240	07/31/2020	COMCAST Internet Charges/Fire	P0108184	0081371	06/11/2020	11.43
00204241	07/31/2020	COMPLETE OFFICE Office Supplies May 2020		OH013640	05/01/2020	2,482.43
00204242	07/31/2020	CRYSTAL AND SIERRA SPRINGS PW WATER DELIVERY	P0106697	14555831-071120	07/11/2020	46.03
00204243	07/31/2020	CUZ CONCRETE PRODUCTS INC. INVENTORY PURCHASES	P0108220	271062	07/17/2020	862.62
00204244	07/31/2020	EA ENG, SCIENCE, AND TECH INC Peer review for SEP17-020	P0108227	137997	06/12/2020	6,747.47
00204245	07/31/2020	EASTSIDE FIRE & RESCUE Parts 7609	P0108186	3510	07/14/2020	3,924.03
00204246	07/31/2020	ESA Peer review for CAO20-001	P0108225	156540	07/24/2020	3,068.43
00204247	07/31/2020	EXCEL SUPPLY COMPANY INVENTORY PURCHASES	P0108128	123667	07/10/2020	352.55
00204248	07/31/2020	Fyles, Maria Rental FA-3344 cancelled due t	P0108219	OH013645	07/27/2020	3,371.50
00204249	07/31/2020	GRAINGER INVENTORY PURCHASES	P0108231	9603353492	07/28/2020	699.92
00204250	07/31/2020	H D FOWLER INVENTORY PURCHASES	P0108216	I5528384	07/21/2020	6,803.91
00204251	07/31/2020	HEALTHFORCE PARTNERS INC New hire physical	P0108187	17266	06/30/2020	835.00
00204252	07/31/2020	HOME DEPOT CREDIT SERVICE STORAGE BINS	P0108195	9260493	07/17/2020	439.26
00204253	07/31/2020	ICMA Annual Membership Renewal J. B	P0108223	966834-RENEWAL	08/01/2020	1,400.00

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204254	07/31/2020	ISSAQUAH HONDA KUBOTA Weed Eater heads and grease	P0108179	21621I	07/22/2020	204.72
00204255	07/31/2020	ISSAQUAH JAIL, CITY OF June jail housing	P0108213	20000524	07/10/2020	2,910.00
00204256	07/31/2020	ISSQUARED INC. Cisco Firewall/VPN Annual	P0107406	001186.01	06/05/2020	1,715.98
00204257	07/31/2020	Kline, Kathy Rec program refund due to COVI	P0107793	OH013653	06/01/2020	11.99
00204258	07/31/2020	KPFF CONSULTING ENGINEERS Fixed Pier Luther Burbank Dock	P0107597	334849	07/23/2020	3,533.50
00204259	07/31/2020	LAKESIDE INDUSTRIES INVENTORY PURCHASES	P0108196	129854	07/27/2020	1,745.70
00204260	07/31/2020	LEADSONLINE.COM Leads online renewal	P0108212	256633	07/15/2020	1,908.00
00204261	07/31/2020	LEE JOHNSON CHEVROLET REPAIR FOR FL-0490	P0108214	430916	07/24/2020	104.98
00204262	07/31/2020	LN CURTIS & SONS Reducers and Caps	P0107899	INV402948	07/06/2020	419.69
00204263	07/31/2020	LOISEAU, LERI M LEOFF1 Retiree Medical Expense	P0108193	OH013650	07/27/2020	143.07
00204264	07/31/2020	MAGNAS LLC Monthly Long Distance Calls 20	P0108236	OH013642	07/30/2020	1,382.03
00204265	07/31/2020	METROPRESORT 2ND QTR B&O PRINTING AND MAIL	P0108190	IN624970	07/23/2020	1,838.29
00204266	07/31/2020	MI EMPLOYEES ASSOC PAYROLL EARLY WARRANTS		OH013647	07/31/2020	242.50
00204267	07/31/2020	MI HARDWARE - UTILITY MISC. HARDWARE FOR THE MONTH O	P0108198	OH013649	06/30/2020	110.02
00204268	07/31/2020	MI SCHOOL DISTRICT #400 Q1 & Q2 2020 School Impact Fee	P0106928	2020-06.30FUEL	07/14/2020	29,821.84
00204269	07/31/2020	NEOPOST USA INC Final Payment Postage Machine	P0108218	N8199566	03/07/2020	460.80
00204270	07/31/2020	POT O' GOLD INC Coffee and tea supplies	P0108228	0261354	07/07/2020	606.89
00204271	07/31/2020	PowerDMS PowerDMS Invoice #37437	P0108211	37437	07/20/2020	867.19
00204272	07/31/2020	PRAXAIR DISTRIBUTION INC 2020 ACETYLEN & OXYGEN TANK RE	P0107063	97538929	06/30/2020	55.90
00204273	07/31/2020	PROFORCE LAW ENFORCEMENT Police holsters Invoice #41496	P0108146	414963	06/24/2020	667.59
00204274	07/31/2020	PUGET SOUND ENERGY PSE JUNE 2020		OH013643	07/28/2020	4,624.21
00204275	07/31/2020	REMOTE SATELLITE SYSTEMS INT'L EMAC Sat Phone	P0108210	00107495	07/26/2020	54.00
00204276	07/31/2020	RENTON FISH & GAME CLUB INC PD training range fees	P0108217	RANGEUSE0715/17	07/15/2020	50.00
00204277	07/31/2020	RICOH USA INC Cost Per Copy/Fire	P0108191	5059687284	06/01/2020	213.59
00204278	07/31/2020	SAFEBUILT WASHINGTON LLC Inspection covered June 15 & 2	P0108224	0070245-IN	06/30/2020	144.00
00204279	07/31/2020	SEA WESTERN INC Helmet (from March - Invoice n	P0108188	INV5163	03/04/2020	362.49

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204280	07/31/2020	SEATTLE PUBLIC UTILITIES APRIL 2020 SPU CHARGE FOR RETA	P0108145	OH013652	06/01/2020	17,138.00
00204281	07/31/2020	SHOREWOOD #14885 Rental assistance for Emergenc	P0106396	OH013654	07/17/2020	1,000.00
00204282	07/31/2020	SME SOLUTIONS LLC REPAIR FUEL PUMP AT FIRE STATI	P0108215	2974957	06/30/2020	1,854.88
00204283	07/31/2020	SYSTEMS DESIGN WEST LLC June 2020 Transport Billing	P0108189	20201400	07/16/2020	1,051.06
00204284	07/31/2020	THOMSON REUTERS - WEST West info charges	P0108204	842596018	06/30/2020	421.43
00204285	07/31/2020	TRAFFIC SAFETY SUPPLY "PARKING LOT CLOSED DO NOT BLO	P0108194	INV028578	07/17/2020	1,133.22
00204286	07/31/2020	UNDERWATER SPORTS INC. Dive team equipment	P0108207	20020953,998,038	07/23/2020	1,982.76
00204287	07/31/2020	UNDERWATER SPORTS INC Dive Team equipment	P0108206	286291	07/02/2020	156.23
00204288	07/31/2020	UNITED SITE SERVICES Lid Parking Boat Launch - 2020	P0106552	114-10567285	06/29/2020	205.23
00204289	07/31/2020	UNITED STATES TREASURY PAYROLL EARLY WARRANTS		OH013648	07/31/2020	826.84
00204290	07/31/2020	US BANK CORP PAYMENT SYS Operating Supplies		5539JULY20	07/06/2020	16,466.99
00204291	07/31/2020	WALTER E NELSON CO Household Supplies	P0108185	766730-766729	07/10/2020	297.00
00204292	07/31/2020	WAXIE SANITARY SUPPLY Sanitizing Equipment Both Stat	P0107228	79295127	07/08/2020	1,126.18
00204293	07/31/2020	XEROX CORPORATION Xerox - invoice 010873160	P0108205	010735641/73159	07/01/2020	698.80
					Total	190,068.99

CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	204294-204354	8/7/2020	\$ 847,496.29
			\$ 847,496.29

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
Org Key: 402000 - Water Fund-Admin Key				
	00204317	Jennifer & Michael Carmichael	REFUND OVERPAY 0074422201	1,157.77
	00204353	Yu Wang & Sumin Li	REFUND OVERPAY 00689229701	875.82
	00204326	Lin, Melina	REFUND OVERPAY 010848701	498.11
P0108245	00204352	WILSON BOHANNAN PADLOCK CO	INVENTORY PURCHASES	517.62
	00204341	Sara & Liam Kelly	REFUND OVERPAY 0083852001	466.20
	00204311	Funston, Nelson	REFUND OVERPAY 004162150	409.14
P0108238	00204313	GRAINGER	INVENTORY PURCHASES	263.01
P0108240	00204316	HOME DEPOT CREDIT SERVICE	INVENTORY PURCHASES	248.16
	00204295	Akiyoshi, Rod	REFUND OVERPAY 00353010002	167.69
	00204325	Lanz, Bernard	REFUND OVERPAY 00202210007	156.54
	00204340	Ralph, Michael	REFUND OVERPAY 00523000001	145.32
	00204304	David & Nancy Haffermann	REFUND OVERPAY 010838757	67.55
Org Key: CA1100 - Administration (CA)				
P0108243	00204328	Madrona Law Group, PPLC	Invoice No. 10289 Professional	3,930.00
P0108243	00204328	Madrona Law Group, PPLC	Invoice 10288 Professional Ser	3,720.00
P0108243	00204328	Madrona Law Group, PPLC	Invoice No. 10290 Professional	330.00
P0108249	00204349	VERIZON WIRELESS	JULY CITY CELL PHONES, AC, OLI	48.10
Org Key: CR1100 - Human Resources				
P0108317	00204297	Cabot Dow Associates	Labor Relations Support July 2	1,706.25
Org Key: FN1100 - Administration (FN)				
P0108249	00204349	VERIZON WIRELESS	JULY CITY CELL PHONES, AC, OLI	48.10
Org Key: FN2100 - Data Processing				
P0108251	00204345	SUPERION LLC	8/1/20-10/31/20 ONESOLUTION	11,676.94
Org Key: FN4501 - Utility Billing (Water)				
P0108244	00204309	FCS GROUP	Water/Sewer/Storm Rate Update	1,353.75
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	301.64
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	277.75
P0108249	00204349	VERIZON WIRELESS	JULY CITY CELL PHONES, AC, OLI	101.20
Org Key: FN4502 - Utility Billing (Sewer)				
P0108244	00204309	FCS GROUP	Water/Sewer/Storm Rate Update	1,353.75
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	301.64
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	277.75
Org Key: FN4503 - Utility Billing (Storm)				
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	301.62
P0108241	00204330	METROPRESORT	JULY 2020 PRINTING & MAILING O	277.74
Org Key: FR1100 - Administration (FR)				
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	999.86
Org Key: FR2100 - Fire Operations				
P0108248	00204307	EASTSIDE FIRE & RESCUE	Labor - 7607	1,771.00
P0108248	00204307	EASTSIDE FIRE & RESCUE	Parts - 7607	1,330.90
Org Key: GGM001 - General Government-Misc				
P0108247	00204329	Matrix Consulting Group	Final Invoice/Fire Services St	13,500.00

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
P0108271	00204314	HAGSTROM, JAMES	FRLEOFF1 Retiree Medical Expen	319.39
P0108272	00204294	ADAMS, RONALD E	LEOFF1 Retiree Medical Expense	236.16
P0108268	00204296	AUGUSTSON, THOR	LEOFF1 Retiree Medical Expense	188.99
P0108269	00204351	WALLACE, THOMAS	LEOFF1 Retiree Medical Expense	180.88
P0108270	00204324	KUHN, DAVID	LEOFF1 Retiree Medical Expense	163.81
<i>Org Key: IS2100 - IGS Network Administration</i>				
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	2,132.08
P0108250	00204349	VERIZON WIRELESS	JULY 2020 IGS LOANER, WIFI, LO	208.14
P0108249	00204349	VERIZON WIRELESS	JULY CITY CELL PHONES, AC, OLI	40.01
<i>Org Key: MT2100 - Roadway Maintenance</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	1,673.20
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: MT2200 - Vegetation Maintenance</i>				
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	12.96
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	13.79
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: MT3000 - Water Service Upsizes and New</i>				
P0108319	00204298	CADMAN INC	5/8"-MINUS ROCK (65.18 TONS)	856.94
<i>Org Key: MT3100 - Water Distribution</i>				
P0108319	00204298	CADMAN INC	5/8"-MINUS ROCK (65.18 TONS)	856.94
P0108258	00204337	PACIFIC SAFETY SUPPLY INC	ROLL UP SIGNS (2-MOTORCYCLES U	528.00
P0108258	00204337	PACIFIC SAFETY SUPPLY INC	FOLDING SIGN STANDS	253.00
P0108239	00204316	HOME DEPOT CREDIT SERVICE	SHOP VAC & ROUNDUP	175.93
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: MT3150 - Water Quality Event</i>				
P0108014	00204346	SYBIS	HARDWARE FOR NEW LOCKING	312.38
<i>Org Key: MT3200 - Water Pumps</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	3,240.88
P0108014	00204346	SYBIS	HARDWARE FOR NEW LOCKING	312.38
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	12.96
<i>Org Key: MT3300 - Water Associated Costs</i>				
P0107797	00204301	CDW GOVERNMENT INC	Adobe Acrobat Standard	144.10
<i>Org Key: MT3400 - Sewer Collection</i>				
P0108014	00204346	SYBIS	HARDWARE FOR NEW LOCKING	312.35
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: MT3500 - Sewer Pumps</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	2,492.85
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	564.70
P0108014	00204346	SYBIS	HARDWARE FOR NEW LOCKING	312.38
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: MT3600 - Sewer Associated Costs</i>				
P0107797	00204301	CDW GOVERNMENT INC	Adobe Acrobat Standard	144.10
<i>Org Key: MT3800 - Storm Drainage</i>				
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: MT4150 - Support Services - Clearing</i>				
P0106362	00204303	CINTAS CORPORATION #460	2020 PW COVERALL SERVICE	2,003.10
P0107370	00204301	CDW GOVERNMENT INC	HP Laserjet M404dn printer	302.59
<i>Org Key: MT4200 - Building Services</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	6,409.89
P0108255	00204348	THYSSENKRUPP ELEVATOR CORP	CITY BUILDINGS ELEVATOR MAINT	923.78
P0108254	00204348	THYSSENKRUPP ELEVATOR CORP	FS92 ELEVATOR MAINT 6/1/20-8/3	236.45
P0108319	00204298	CADMAN INC	5/8"-MINUS ROCK (65.18 TONS)	71.42
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	12.96
<i>Org Key: MT4300 - Fleet Services</i>				
P0108246	00204336	OWEN EQUIPMENT COMPANY	REPAIR PARTS FOR FL-0388	4,421.14
P0106462	00204312	GOODYEAR TIRE & RUBBER CO, THE	2020 TIRE INVENTORY	1,987.60
P0108237	00204320	KENT D BRUCE CO LLC	REPAIR PARTS FOR FL-0523	571.73
P0106771	00204300	CARQUEST AUTO PARTS STORES	2020 MONTHLY FLEET PARTS	303.06
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	12.96
<i>Org Key: MT4501 - Water Administration</i>				
P0108320	00204342	SEATTLE PUBLIC UTILITIES	JUNE 2020 WATER PURCHASE	197,205.01
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	58.73
<i>Org Key: MT4502 - Sewer Administration</i>				
P0106421	00204321	KING COUNTY TREASURY	MONTHLY SEWER JAN-DEC 2020	401,125.17
<i>Org Key: PO1350 - Police Emergency Management</i>				
P0108234	00204343	SKYLINE COMMUNICATIONS INC	JULY 2020 EOC INTERNET SERVICE	206.55
P0108235	00204343	SKYLINE COMMUNICATIONS INC	AUG 2020 EOC INTERNET SERVICE	206.55
<i>Org Key: PO2100 - Patrol Division</i>				
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	1,534.45
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	1,204.45
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	1,204.45
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	1,204.45
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	984.50
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	984.50
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	984.50
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	984.50
P0108314	00204323	KROESENS UNIFORM COMPANY	Replacement of expired ballist	984.50
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	948.88
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	740.05
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	633.89
P0108275	00204338	PIGSKIN UNIFORMS	Police uniform	596.75
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	446.00
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	420.55
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	412.42
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	395.87

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108274	00204327	MAC TOWING	Towing fee for 2020-5147	303.60
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	254.02
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	247.47
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	139.92
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	107.64
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	107.64
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	58.30
P0108313	00204323	KROESENS UNIFORM COMPANY	Uniforms/equipment for new off	55.00
<i>Org Key: PR4100 - Community Center</i>				
P0108255	00204348	THYSSENKRUPP ELEVATOR CORP	CITY BUILDINGS ELEVATOR MAINT	923.75
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	56.37
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	49.13
<i>Org Key: PR6100 - Park Maintenance</i>				
P0108253	00204333	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	4,701.40
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	1,127.52
P0106362	00204303	CINTAS CORPORATION #460	PARKS 2020 COVERALL SERVICE	142.00
P0108257	00204331	MI HARDWARE - MAINT	MISC. HARDWARE FOR THE MONTH O	128.37
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0108253	00204333	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	28,209.64
P0108315	00204316	HOME DEPOT CREDIT SERVICE	SEAMING TAPE & LN FUZEIT ALL S	187.79
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	90.13
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
P0108253	00204333	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	4,238.21
	00204302	CENTURYLINK	CENTURY LINK JULY 2020	180.46
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.11
<i>Org Key: PR6600 - Park Maint-School Related</i>				
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	250.18
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	12.96
<i>Org Key: PR6800 - Trails Maintenance</i>				
P0108318	00204332	MI HARDWARE - P&R	MISC. HARDWARE FOR THE MONTH O	11.86
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
P0108253	00204333	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	23,241.31
P0108316	00204347	T2 SYSTEMS CANADA INC	Pay station phone support & 6	150.00
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	108.31
P0108256	00204354	ZEE MEDICAL	FIRST AID SUPPLIES	15.17
<i>Org Key: PY4619 - Flex Spending Admin 2019</i>				
	00204315	HEITMAN, STEVE	FLEX REIMB.	271.04
<i>Org Key: ST0001 - ST Traffic Safety Enhancements</i>				
P0106921	00204350	WA ST DEPT OF TRANSPORTATION	WMW TRAIL CROSSING PROJECT JZO	1,937.29
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0108242	00204306	DEPT OF TRANSPORTATION	Invoice # JZ0592-L004 Sound Tr	302.98

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: WD907R - Basin #42.1 and 42.1a Impvt</i>				
P0106532	00204335	NATURAL SYSTEMS DESIGN	SUB BASIN 42 WATERCOURSE	25,570.00
<i>Org Key: WG110T - Computer Equip Replacements</i>				
P0107504	00204305	DELL MARKETING L.P.	Dell PowerEdge R540	13,657.29
<i>Org Key: WP720R - Recurring Park Projects</i>				
P0106026	00204344	SOUND ROOF SERVICES INC	2019 Parks Roof Repairs	17,439.40
P0106026	00204344	SOUND ROOF SERVICES INC	2019 Parks Roof Repairs	4,303.20
P0106026	00204344	SOUND ROOF SERVICES INC	10% Retainage - 2019 Parks Roo	1,045.80
<i>Org Key: WS160R - Street Related Sewer CIP</i>				
P0108252	00204308	EJ USA INC	6" X 24" RINGS & COVER "SEWER"	987.38
<i>Org Key: WS901F - PS Generator and Pump Repl</i>				
P0104590	00204334	MOUNTAIN PACIFIC BANK	RETAINAGE FOR P0104588	1,030.01
<i>Org Key: WS906C - Swr PS Flow Monitor Install</i>				
P0108009	00204299	CAROLLO ENGINEERS, INC.	2020 WASTEWATER PUMP STATION	1,062.50
<i>Org Key: WW117R- Street Related Water Impvts</i>				
P0108233	00204310	FERGUSON ENTERPRISES LLC	MAGNETIC VALVE BOX COVER LIFTE	401.37
<i>Org Key: XG918T - Network Infrastructure Extend</i>				
P0108171	00204318	KC FINANCE	KC Sewer Main Fiber Design	17,449.75
<i>Org Key: YF1200 - Thrift Shop</i>				
P0108255	00204348	THYSSENKRUPP ELEVATOR CORP	CITY BUILDINGS ELEVATOR MAINT	923.75
	00204339	PUGET SOUND ENERGY	PSE JULY 2020	236.77
<i>Org Key: YF2600 - Family Assistance</i>				
P0106344	00204319	KC HOUSING AUTHORITY	Rental Assistance for Emergenc	650.00
Total				847,496.29

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204294	08/07/2020	ADAMS, RONALD E LEOFF1 Retiree Medical Expense	P0108272	OH013660	08/04/2020	236.16
00204295	08/07/2020	Akiyoshi, Rod REFUND OVERPAY 00353010002		OH013677	07/28/2020	167.69
00204296	08/07/2020	AUGUSTSON, THOR LEOFF1 Retiree Medical Expense	P0108268	OH013661	08/04/2020	188.99
00204297	08/07/2020	Cabot Dow Associates Labor Relations Support July 2	P0108317	OH013655	08/03/2020	1,706.25
00204298	08/07/2020	CADMAN INC 5/8"-MINUS ROCK (65.18 TONS)	P0108319	5697660	07/17/2020	1,785.30
00204299	08/07/2020	CAROLLO ENGINEERS, INC. 2020 WASTEWATER PUMP STATION	P0108009	0188874	07/10/2020	1,062.50
00204300	08/07/2020	CARQUEST AUTO PARTS STORES 2020 MONTHLY FLEET PARTS	P0106771	OH013657	08/01/2020	303.06
00204301	08/07/2020	CDW GOVERNMENT INC Adobe Acrobat Standard	P0107370	XNJ6379	04/13/2020	590.79
00204302	08/07/2020	CENTURYLINK CENTURY LINK JULY 2020		OH013679	08/01/2020	4,082.33
00204303	08/07/2020	CINTAS CORPORATION #460 2020 PW COVERALL SERVICE	P0106362	OH013668	07/31/2020	2,145.10
00204304	08/07/2020	David & Nancy Haffermann REFUND OVERPAY 010838757		OH013671	07/28/2020	67.55
00204305	08/07/2020	DELL MARKETING L.P. Dell PowerEdge R540	P0107504	10398861785	06/09/2020	13,657.29
00204306	08/07/2020	DEPT OF TRANSPORTATION Invoice # JZ0592-L004 Sound Tr	P0108242	RE41-JZ0592	07/15/2020	302.98
00204307	08/07/2020	EASTSIDE FIRE & RESCUE Parts - 7607	P0108248	R00911	07/16/2020	3,101.90
00204308	08/07/2020	EJ USA INC 6" X 24" RINGS & COVER "SEWER"	P0108252	110200053231	07/21/2020	987.38
00204309	08/07/2020	FCS GROUP Water/Sewer/Storm Rate Update	P0108244	3236-22007032	07/17/2020	2,707.50
00204310	08/07/2020	FERGUSON ENTERPRISES LLC MAGNETIC VALVE BOX COVER LIFTE	P0108233	0170852	07/14/2020	401.37
00204311	08/07/2020	Funston, Nelson REFUND OVERPAY 004162150		OH013676	07/28/2020	409.14
00204312	08/07/2020	GOODYEAR TIRE & RUBBER CO, THE 2020 TIRE INVENTORY	P0106462	195-1154965	08/03/2020	1,987.60
00204313	08/07/2020	GRAINGER INVENTORY PURCHASES	P0108238	9605400580	07/29/2020	263.01
00204314	08/07/2020	HAGSTROM, JAMES FRLEOFF1 Retiree Medical Expen	P0108271	OH013664	08/04/2020	319.39
00204315	08/07/2020	HEITMAN, STEVE FLEX REIMB.		OH013666	08/04/2020	271.04
00204316	08/07/2020	HOME DEPOT CREDIT SERVICE INVENTORY PURCHASES	P0108315	1010723	08/04/2020	611.88
00204317	08/07/2020	Jennifer & Michael Carmichael REFUND OVERPAY 0074422201		OH013673	07/28/2020	1,157.77
00204318	08/07/2020	KC FINANCE KC Sewer Main Fiber Design	P0108171	30030053	08/15/2020	17,449.75
00204319	08/07/2020	KC HOUSING AUTHORITY Rental Assistance for Emergenc	P0106344	OH013669	07/31/2020	650.00

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204320	08/07/2020	KENT D BRUCE CO LLC REPAIR PARTS FOR FL-0523	P0108237	6924	07/28/2020	571.73
00204321	08/07/2020	KING COUNTY TREASURY MONTHLY SEWER JAN-DEC 2020	P0106421	30029942	08/01/2020	401,125.17
00204323	08/07/2020	KROESENS UNIFORM COMPANY Uniforms/equipment for new off	P0108314	60124	05/05/2020	15,037.95
00204324	08/07/2020	KUHN, DAVID LEOFF1 Retiree Medical Expense	P0108270	OH013662	08/04/2020	163.81
00204325	08/07/2020	Lanz, Bernard REFUND OVERPAY 00202210007		OH013678	07/28/2020	156.54
00204326	08/07/2020	Lin, Melina REFUND OVERPAY 010848701		OH013670	07/28/2020	498.11
00204327	08/07/2020	MAC TOWING Towing fee for 2020-5147	P0108274	20-07-11602	07/29/2020	303.60
00204328	08/07/2020	Madrona Law Group, PPLC Invoice 10288 Professional Ser	P0108243	10290	07/01/2020	7,980.00
00204329	08/07/2020	Matrix Consulting Group Final Invoice/Fire Services St	P0108247	20-13#5	07/10/2020	13,500.00
00204330	08/07/2020	METROPRESORT JULY 2020 PRINTING & MAILING O	P0108241	IN625005	07/30/2020	1,738.14
00204331	08/07/2020	MI HARDWARE - MAINT MISC. HARDWARE FOR THE MONTH O	P0108257	OH013658	07/31/2020	128.37
00204332	08/07/2020	MI HARDWARE - P&R MISC. HARDWARE FOR THE MONTH O	P0108318	OH013667	07/31/2020	11.86
00204333	08/07/2020	MI UTILITY BILLS JULY 2020 PAYMENT OF UTILITY B	P0108253	OH013659	07/31/2020	60,390.56
00204334	08/07/2020	MOUNTAIN PACIFIC BANK RETAINAGE FOR P0104588	P0104590	RET-PAYREQ#6	08/01/2020	1,030.01
00204335	08/07/2020	NATURAL SYSTEMS DESIGN SUB BASIN 42 WATERCOURSE	P0106532	2020-283	05/11/2020	25,570.00
00204336	08/07/2020	OWEN EQUIPMENT COMPANY REPAIR PARTS FOR FL-0388	P0108246	00098583/98582	07/31/2020	4,421.14
00204337	08/07/2020	PACIFIC SAFETY SUPPLY INC ROLL UP SIGNS (2-MOTORCYCLES U	P0108258	731678	07/16/2020	781.00
00204338	08/07/2020	PIGSKIN UNIFORMS Police uniform	P0108275	2020-12	06/15/2020	596.75
00204339	08/07/2020	PUGET SOUND ENERGY PSE JULY 2020		OH013656	08/01/2020	15,602.52
00204340	08/07/2020	Ralph, Michael REFUND OVERPAY 00523000001		OH013675	07/28/2020	145.32
00204341	08/07/2020	Sara & Liam Kelly REFUND OVERPAY 0083852001		OH013672	07/28/2020	466.20
00204342	08/07/2020	SEATTLE PUBLIC UTILITIES JUNE 2020 WATER PURCHASE	P0108320	OH013665	06/01/2020	197,205.01
00204343	08/07/2020	SKYLINE COMMUNICATIONS INC JULY 2020 EOC INTERNET SERVICE	P0108235	IN45656	07/01/2020	413.10
00204344	08/07/2020	SOUND ROOF SERVICES INC 10% Retainage - 2019 Parks Roo	P0106026	19-612-PB2	05/19/2020	22,788.40
00204345	08/07/2020	SUPERION LLC 8/1/20-10/31/20 ONESOLUTION	P0108251	284254	07/01/2020	11,676.94
00204346	08/07/2020	SYBIS HARDWARE FOR NEW LOCKING SYSTE	P0108014	1431	07/28/2020	1,249.49

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204347	08/07/2020	T2 SYSTEMS CANADA INC Pay station phone support & 6	P0108316	INVHD0002148	07/30/2020	150.00
00204348	08/07/2020	THYSSENKRUPP ELEVATOR CORP CITY BUILDINGS ELEVATOR MAINT	P0108255	3005287968	06/01/2020	3,007.73
00204349	08/07/2020	VERIZON WIRELESS JULY CITY CELL PHONES, AC, OLI	P0108250	9859306312	08/15/2020	445.55
00204350	08/07/2020	WA ST DEPT OF TRANSPORTATION WMW TRAIL CROSSING PROJECT JZ0	P0106921	RE41-JZ0644	05/18/2020	1,937.29
00204351	08/07/2020	WALLACE, THOMAS LEOFF1 Retiree Medical Expense	P0108269	OH013663	08/04/2020	180.88
00204352	08/07/2020	WILSON BOHANNAN PADLOCK CO INVENTORY PURCHASES	P0108245	0174943-IN	07/23/2020	517.62
00204353	08/07/2020	Yu Wang & Sumin Li REFUND OVERPAY 00689229701		OH013674	07/28/2020	875.82
00204354	08/07/2020	ZEE MEDICAL FIRST AID SUPPLIES	P0108256	68406831	08/03/2020	215.96
					Total	<u>847,496.29</u>

CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	204355-204406	8/14/2020	\$ 205,896.34
			\$ 205,896.34

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0107666	00204391	OPEN WINDOW SCHOOL	Rental refund due to COVID-19	1,644.00
P0107661	00204366	Chambers, Flo	Rec programs refund due to COV	85.82
P0108338	00204378	KACZOR, ALEX	Refund drop-in membership	58.92
P0107657	00204374	Golden, Clarice	Rec programs refund due to COV	35.50
P0107658	00204373	Frerk, Rosemary	Rec programs refund due to COV	33.20
P0107656	00204377	Hill, Shirley	Rec programs refund due to COV	33.20
P0107663	00204363	Brothers, Joanne	Rec programs refund due to COV	25.50
P0107660	00204367	Claypool, Francies	Rec programs refund due to COV	23.00
P0107664	00204362	Bradley, Nancy	COVID-19 refund	20.00
P0108340	00204375	GONZALES, ANJANETTE	Refund drop-in membership	17.25
P0108339	00204380	LEE, CHARLENE	Refund drop-in membership	17.25
P0108337	00204399	STEWART, DON	Refund drop-in membership	14.38
P0107662	00204364	Burd, Bob	Rec programs refund due to COV	7.50
P0107665	00204359	Beck, Kathy	COVID-19 refund	4.67
P0107659	00204370	D'Souza, Heather	Rec programs refund due to COV	4.67
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0108336	00204376	GRAINGER	INVENTORY PURCHASES	723.99
P0108324	00204376	GRAINGER	INVENTORY PURCHASES	98.00
<i>Org Key: CA1100 - Administration (CA)</i>				
P0108341	00204382	LIGHTHOUSE LAW GROUP PLLC	Invoice No. 20467 Professional	4,470.00
P0108311	00204395	RELX INC DBA LEXISNEXIS	Invoice 3092767282Library	348.70
<i>Org Key: CA1200 - Prosecution & Criminal Mngmnt</i>				
P0108342	00204388	MOBERLY AND ROBERTS	Invoice 909 Professional Servi	6,800.00
<i>Org Key: CM1400 - Communications</i>				
P0108351	00204356	ARCHIVE SOCIAL	Annual Renewal Yearly Social M	4,788.00
<i>Org Key: CO6100 - City Council</i>				
P0108352	00204371	DANIEL, KAMARIA	MITV 7/21 Council Mtg	420.00
P0108352	00204371	DANIEL, KAMARIA	MITV 7/14 Council Mtg	390.00
P0108352	00204371	DANIEL, KAMARIA	MITV 8/4 Council Mtg	300.00
P0108352	00204371	DANIEL, KAMARIA	MITV 7/7 Council Mtg	300.00
P0108352	00204371	DANIEL, KAMARIA	Transportation Fee	160.00
<i>Org Key: DS0000 - Development Services-Revenue</i>				
	00204398	Shanyu llc	Meeting Canceled	508.00
	00204398	Shanyu llc	Meeting Canceled	15.24
<i>Org Key: FN2100 - Data Processing</i>				
P0108323	00204384	METROPRESORT	JULY 2020 MONTY E-SERVICE	50.00
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	87.76
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	81.04
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	87.76
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	81.04
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	87.75
P0108323	00204384	METROPRESORT	JULY 2020 PRINTING & MAILING O	81.03
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0108304	00204406	XEROX CORPORATION	Print & copy charges for CM co	555.42
P0108304	00204406	XEROX CORPORATION	Print & Copy charges for Mail	462.62
P0108333	00204368	CONFIDENTIAL DATA DISPOSAL	City Shredding Services - Invo	35.00
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
P0108322	00204404	WALLACE, THOMAS	LEOFF 1 LTC Expenses	6,000.00
<i>Org Key: IS2100 - IGS Network Administration</i>				
P0108148	00204365	CDW GOVERNMENT INC	PureStorage Support and Mainte	17,490.00
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P0108265	00204394	PRECISION CONCRETE CUTTING	Precision Concrete Cutting	44,958.16
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	97.20
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	524.46
<i>Org Key: MT3100 - Water Distribution</i>				
P0108267	00204396	Royal Restrooms of Washington	Restroom Rental	4,050.00
P0108273	00204396	Royal Restrooms of Washington	Restroom Rental	3,250.00
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	1,649.25
P0106556	00204403	US Bank Redmond	RETAINAGE FOR P0106533	253.41
P0106556	00204403	US Bank Redmond	RETAINAGE FOR P0106533	250.50
P0106556	00204403	US Bank Redmond	RETAINAGE FOR P0106533	239.13
<i>Org Key: MT3300 - Water Associated Costs</i>				
	00204381	LEYDE, CASEY	on call response sr3896	41.98
<i>Org Key: MT3400 - Sewer Collection</i>				
P0108267	00204396	Royal Restrooms of Washington	Restroom Rental	4,050.00
P0108273	00204396	Royal Restrooms of Washington	Restroom Rental	3,250.00
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	1,150.08
<i>Org Key: MT3800 - Storm Drainage</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	77.68
<i>Org Key: MT4200 - Building Services</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	8,405.94
P0108345	00204392	PACIFIC AIR CONTROL INC	POLICE T-STAT REPAIR	798.60
	00204390	NOVAK, JOHN	wall oven door assembly	312.56
<i>Org Key: MT4300 - Fleet Services</i>				
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 14 Fuel on 7/21/20 - 11	857.41
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 14 fuel on 7/3/20 - 112	608.96
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 14 Fuel on 7/10/20 - 11	544.38
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 14 Fuel on 7/25/20 - 11	451.53
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 14 Fuel on 7/18/20 - 11	434.53
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 11 Fuel on 7/5/20 - 358	421.89
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 11 Fuel on 7/19/20 - In	399.72
P0108334	00204397	SEATTLE BOAT COMPANY	Patrol 11 Fuel on 7/13/20 - 35	354.88

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108321	00204389	NAPA AUTO PARTS	REPAIR PARTS	78.58
<i>Org Key: MT4403 - Customer Response - Water</i>				
	00204379	KELLEY, CHRIS M	emergency call out	37.49
<i>Org Key: MT4501 - Water Administration</i>				
P0107187	00204393	Power Engineers Inc.	PW ASSET MGMT UPDATE	4,507.20
<i>Org Key: MT4503 - Storm Water Administration</i>				
P0108264	00204372	DEPARTMENT OF ECOLOGY	Puget Sound studies/ trends/so	11,322.00
<i>Org Key: PO1350 - Police Emergency Management</i>				
P0108330	00204405	WASHINGTON STATE PATROL	Volunteer background investiga	180.00
<i>Org Key: PO2200 - Marine Patrol</i>				
P0108331	00204385	MI HARDWARE - POLICE	MP Supplies - Invoice(s): 1424	74.03
<i>Org Key: PO2201 - Dive Team</i>				
P0108332	00204401	UNDERWATER SPORTS INC.	Dive Team Equipment - Invoice	1,783.98
P0108332	00204401	UNDERWATER SPORTS INC.	Dive Team Equipment - Invoice	473.37
<i>Org Key: PO3100 - Investigation Division</i>				
P0108329	00204400	THOMSON REUTERS - WEST	West Investigative services -	421.43
<i>Org Key: PR3500 - Senior Services</i>				
P0108335	00204387	MISD FOOD SERVICE	Oct 2019 Senior Social lunches	1,170.00
P0108335	00204387	MISD FOOD SERVICE	Jan 2020 Senior Social 175 mea	875.00
P0108335	00204387	MISD FOOD SERVICE	Nov 2019 Senior Social 154 mea	770.00
P0108335	00204387	MISD FOOD SERVICE	2019 Thanksgiving Senior Lunch	630.00
P0108335	00204387	MISD FOOD SERVICE	Dec 2019 Senior Social 103 mea	515.00
P0108335	00204387	MISD FOOD SERVICE	2019 Halloween Senior Lunch 80	400.00
P0108335	00204387	MISD FOOD SERVICE	Feb 2020 Senior Social 50 meal	250.00
<i>Org Key: PR4100 - Community Center</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	5,681.95
P0108343	00204392	PACIFIC AIR CONTROL INC	EVAP COIL REPAIR	344.30
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	171.27
<i>Org Key: ST0025 - ST Environmental</i>				
P0108307	00204357	ASPECT CONSULTING LLC	Invoice No. 37581 ST Long Term	19,924.43
P0108308	00204383	MARTEN LAW	Invoice #44090405 Professional	954.50
<i>Org Key: WD140R - Drainage System Pipe Replacemnt</i>				
P0105308	00204360	BLUELINE GROUP	9600 WMW WATER S;YSTEM IMPROVE	84.00
<i>Org Key: WD722R - Sub Basin 3b.4 Watercourse</i>				
P0108296	00204402	UNITED REPROGRAPHICS	WATERCOURSE STABILIZATION SUB	52.85
<i>Org Key: WD724R - Sub Basin 29.2 Watercourse</i>				
P0108296	00204402	UNITED REPROGRAPHICS	WATERCOURSE STABILIZATION SUB	26.42
<i>Org Key: WS901G - Sewer System Generator Repl</i>				
P0098766	00204361	BONNER BROTHERS CONST INC	RETAINAGE	4,130.00

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: WW718R - Main 87th and 88th Ave SE</i>				
P0105308	00204360	BLUELINE GROUP	9600 WMW WATER SYSTEM	490.00
<i>Org Key: WW914R - 96th 97th Ave and SE 34th Main</i>				
P0107631	00204355	OCEANSIDE CONSTRUCTION INC	2020 WATER SYSTEM IMPROVEMENTS	21,235.87
P0105308	00204360	BLUELINE GROUP	9600 WMW WATER S;YSTEM IMPROVE	126.00
<i>Org Key: YF1200 - Thrift Shop</i>				
P0108328	00204386	MI UTILITY BILLS	JULY 2020 PAYMENT OF UTILITY B	308.21
<i>Org Key: YF2600 - Family Assistance</i>				
	00204358	BARON, KATE	QFC Food Pantry Gift Cards	3,000.00
	00204369	CORK, TAMBI A	QFC Food Pantry Gift Cards	2,000.00
Total				205,896.34

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204355	08/11/2020	OCEANSIDE CONSTRUCTION INC 2020 WATER SYSTEM IMPROVEMENTS	P0107631	PPNO.1 CHECK2	07/24/2020	21,235.87
00204356	08/14/2020	ARCHIVE SOCIAL Annual Renewal Yearly Social M	P0108351	11940	09/08/2020	4,788.00
00204357	08/14/2020	ASPECT CONSULTING LLC Invoice No. 37581 ST Long Term	P0108307	37581	07/10/2020	19,924.43
00204358	08/14/2020	BARON, KATE QFC Food Pantry Gift Cards		OH013680	07/28/2020	3,000.00
00204359	08/14/2020	Beck, Kathy COVID-19 refund	P0107665	OH013691	05/22/2020	4.67
00204360	08/14/2020	BLUELINE GROUP 9600 WMW WATER S;YSTEM IMPROVE	P0105308	19047.PT2	06/05/2020	700.00
00204361	08/14/2020	BONNER BROTHERS CONST INC RETAINAGE	P0098766	RETNO.18	08/14/2020	4,130.00
00204362	08/14/2020	Bradley, Nancy COVID-19 refund	P0107664	OH013690	05/22/2020	20.00
00204363	08/14/2020	Brothers, Joanne Rec programs refund due to COV	P0107663	32027	05/19/2020	25.50
00204364	08/14/2020	Burd, Bob Rec programs refund due to COV	P0107662	32029	05/19/2020	7.50
00204365	08/14/2020	CDW GOVERNMENT INC PureStorage Support and Mainte	P0108148	ZMN7707	07/23/2020	17,490.00
00204366	08/14/2020	Chambers, Flo Rec programs refund due to COV	P0107661	32030	05/19/2020	85.82
00204367	08/14/2020	Claypool, Francies Rec programs refund due to COV	P0107660	32032	05/19/2020	23.00
00204368	08/14/2020	CONFIDENTIAL DATA DISPOSAL City Shredding Services - Invo	P0108333	200882	07/29/2020	35.00
00204369	08/14/2020	CORK, TAMBI A QFC Food Pantry Gift Cards		OH013686	08/03/2020	2,000.00
00204370	08/14/2020	D'Souza, Heather Rec programs refund due to COV	P0107659	32037	05/19/2020	4.67
00204371	08/14/2020	DANIEL, KAMARIA MITV 7/7 Council Mtg	P0108352	40	08/01/2020	1,570.00
00204372	08/14/2020	DEPARTMENT OF ECOLOGY Puget Sound studies/ trends/so	P0108264	RS-00000076	05/18/2020	11,322.00
00204373	08/14/2020	Frerk, Rosemary Rec programs refund due to COV	P0107658	32041	05/19/2020	33.20
00204374	08/14/2020	Golden, Clarice Rec programs refund due to COV	P0107657	32044	05/19/2020	35.50
00204375	08/14/2020	GONZALES, ANJANETTE Refund drop-in membership	P0108340	32394	07/31/2020	17.25
00204376	08/14/2020	GRAINGER INVENTORY PURCHASES	P0108324	9612356205	08/05/2020	821.99
00204377	08/14/2020	Hill, Shirley Rec programs refund due to COV	P0107656	32046	05/19/2020	33.20
00204378	08/14/2020	KACZOR, ALEX Refund drop-in membership	P0108338	32391	07/31/2020	58.92
00204379	08/14/2020	KELLEY, CHRIS M emergency call out		OH013695	08/05/2020	37.49
00204380	08/14/2020	LEE, CHARLENE Refund drop-in membership	P0108339	32393	07/31/2020	17.25

Accounts Payable Report by Check Number

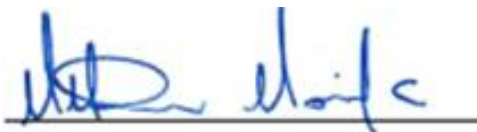
Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204381	08/14/2020	LEYDE, CASEY on call response sr3896		OH013694	08/05/2020	41.98
00204382	08/14/2020	LIGHTHOUSE LAW GROUP PLLC Invoice No. 20467 Professional	P0108341	20467	08/03/2020	4,470.00
00204383	08/14/2020	MARTEN LAW Invoice #44090405 Professional	P0108308	44090405	07/20/2020	954.50
00204384	08/14/2020	METROPRESORT JULY 2020 MONTY E-SERVICE	P0108323	IN625157	08/06/2020	556.38
00204385	08/14/2020	MI HARDWARE - POLICE MP Supplies - Invoice(s): 1424	P0108331	OH013684	07/31/2020	74.03
00204386	08/14/2020	MI UTILITY BILLS JULY 2020 PAYMENT OF UTILITY B	P0108328	OH013683	07/31/2020	18,066.04
00204387	08/14/2020	MISD FOOD SERVICE Oct 2019 Senior Social lunches	P0108335	OH013682	01/01/2020	4,610.00
00204388	08/14/2020	MOBERLY AND ROBERTS Invoice 909 Professional Servi	P0108342	909	08/01/2020	6,800.00
00204389	08/14/2020	NAPA AUTO PARTS REPAIR PARTS	P0108321	OH013681	08/01/2020	78.58
00204390	08/14/2020	NOVAK, JOHN wall oven door assembly		OH013688	08/10/2020	312.56
00204391	08/14/2020	OPEN WINDOW SCHOOL Rental refund due to COVID-19	P0107666	OH013692	05/26/2020	1,644.00
00204392	08/14/2020	PACIFIC AIR CONTROL INC POLICE T-STAT REPAIR	P0108343	32064	07/31/2020	1,142.90
00204393	08/14/2020	Power Engineers Inc. PW ASSET MGMT UPDATE	P0107187	356999	06/09/2020	4,507.20
00204394	08/14/2020	PRECISION CONCRETE CUTTING Precision Concrete Cutting	P0108265	WA45441KE	06/01/2020	44,958.16
00204395	08/14/2020	RELX INC DBA LEXISNEXIS Invoice 3092767282Library	P0108311	3092767282	07/31/2020	348.70
00204396	08/14/2020	Royal Restrooms of Washington Restroom Rental	P0108273	2005020	05/20/2020	14,600.00
00204397	08/14/2020	SEATTLE BOAT COMPANY Patrol 14 fuel on 7/3/20 - 112	P0108334	OH013685	08/07/2020	4,073.30
00204398	08/14/2020	Shanyu llc Meeting Canceled		OH013689	08/03/2020	523.24
00204399	08/14/2020	STEWART, DON Refund drop-in membership	P0108337	32389	07/31/2020	14.38
00204400	08/14/2020	THOMSON REUTERS - WEST West Investigative services -	P0108329	842765386	07/31/2020	421.43
00204401	08/14/2020	UNDERWATER SPORTS INC. Dive Team Equipment - Invoice	P0108332	286464	07/14/2020	2,257.35
00204402	08/14/2020	UNITED REPROGRAPHICS WATERCOURSE STABILIZATION SUB	P0108296	9097461/460	06/30/2020	79.27
00204403	08/14/2020	US Bank Redmond RETAINAGE FOR P0106533	P0106556	3064R	07/13/2020	743.04
00204404	08/14/2020	WALLACE, THOMAS LEOFF 1 LTC Expenses	P0108322	OH013693	08/04/2020	6,000.00
00204405	08/14/2020	WASHINGTON STATE PATROL Volunteer background investiga	P0108330	121000462	08/05/2020	180.00
00204406	08/14/2020	XEROX CORPORATION Print & Copy charges for Mail	P0108304	010735639/646	07/01/2020	1,018.04

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
						Total <u>205,896.34</u>

CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	204407-204453	8/21/2020	\$ 62,618.95
			\$ 62,618.95

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
Org Key: 001000 - General Fund-Admin Key				
P0108387	00204426	FREE WHEELCHAIR MISSION	Refund rental fees FA-3882 due	1,733.50
P0108378	00204449	Vanderspek, Lisa	Refund. Returning deposit on f	250.00
P0108346	00204425	Derakshani, Donya	Refund drop-in membership	50.88
P0108350	00204452	Williams, Larry	Refund drop-in membership	20.71
P0108349	00204419	Beeravalli, Vishal	Refund drop-in membership	17.25
P0108348	00204433	Largo, Anthony	Refund drop-in membership	17.25
P0108347	00204443	Riley, Scott	Refund drop-in membership	17.25
Org Key: 402000 - Water Fund-Admin Key				
P0108379	00204434	Leung, Alice	REFUND WATER SERVICE DEPOSIT	459.50
P0108380	00204431	Kevin & Tony LLC	REFUND WATER SERVICE DEPOSIT	355.63
P0108385	00204430	JAYMARC LUXURY HOMES LLC	REFUND WATER SERVICE DEPOSIT	337.59
P0108354	00204427	GRAINGER	INVENTORY PURCHASES	298.78
Org Key: 814074 - Garnishments				
	00204414	UNITED STATES TREASURY	Payroll Early Warrants	826.84
Org Key: 814075 - Mercer Island Emp Association				
	00204412	MI EMPLOYEES ASSOC	Payroll Early Warrants	240.00
Org Key: CA1100 - Administration (CA)				
P0108365	00204439	OGDEN MURPHY WALLACE PLLC	Invoice 841229 Professional	6,276.00
P0108364	00204435	Madrona Law Group, PPLC	Invoice 10320 Professional Ser	4,440.00
P0108364	00204435	Madrona Law Group, PPLC	Invoice 10321 Professional Ser	2,010.00
P0108364	00204435	Madrona Law Group, PPLC	Invoice 10319 Professional Ser	1,410.00
Org Key: CA1300 - Public Records				
P0108370	00204437	NEXTREQUEST CO	Services - Public Records Soft	10,389.21
Org Key: CR1100 - Human Resources				
P0108363	00204441	PUBLIC SAFETY SELECTION PC	Pre-Hire Psych Eval Trudeau	400.00
Org Key: DS1100 - Administration (DS)				
P0108399	00204415	VERIZON WIRELESS	2020 Verizon Wireless 8.15.20	581.82
Org Key: FR1100 - Administration (FR)				
P0108357	00204424	CULLIGAN SEATTLE WA	Water Service/Fire	275.68
P0108371	00204416	ASPECT SOFTWARE INC	Telestaff Monthly Fee	165.00
P0108358	00204423	COMCAST	Internet Charges/Fire	110.20
P0108359	00204423	COMCAST	Internet Charges/Fire	90.25
P0108355	00204423	COMCAST	Internet Charges/Fire	62.39
Org Key: FR2100 - Fire Operations				
P0108398	00204415	VERIZON WIRELESS	2020 Verizon Wireless - 8.15.2	1,140.84
Org Key: GGM005 - Genera Govt-L1 Retiree Costs				
	00204413	SCHOENTRUP, WILLIAM	reprint check from 10.24.19	1,307.79
Org Key: GGM100 - Emerg Incident Response				
P0108375	00204447	UNITED SITE SERVICES	Portable restroom for Grovelan	461.44
Org Key: GGM150 - EOC - Port of Seattle Grant				
P0108377	00204429	Hardwick Research	COVID-19 Business Survey	5,970.00

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: IGVO11 - Chamber of Commerce</i>				
P0106841	00204411	MI CHAMBER OF COMMERCE	MONTHLY CHAMBER OF COMMERCE	600.00
<i>Org Key: IS2100 - IGS Network Administration</i>				
P0107116	00204410	KING COUNTY FINANCE	I-NET MONTLY SERVICES FROM	1,122.00
<i>Org Key: MT3100 - Water Distribution</i>				
P0108325	00204407	BSK ASSOCIATES	Project UCMR4 - Contractor	650.00
P0108372	00204428	H D FOWLER	2" ADJ SADDLE SUPPORT ZINC PLA	224.93
P0108295	00204421	CESSCO INC	REPAIR CUT OFF SAW	219.21
<i>Org Key: MT3600 - Sewer Associated Costs</i>				
P0108306	00204451	WHISTLE WORKWEAR	SAFETY BOOTS & MISC. WORK CLOT	213.02
<i>Org Key: MT4101 - Support Services - General Fd</i>				
P0108373	00204436	MERCER ISLAND REPORTER	PW RENEWAL OF MI REPORTER	60.00
<i>Org Key: MT4150 - Support Services - Clearing</i>				
P0108400	00204415	VERIZON WIRELESS	2020 Verizon Wireless 8.15.20	3,856.84
P0106555	00204448	UTILITIES UNDERGROUND LOCATION	2020 UTILITY LOCATES	343.14
P0108344	00204438	OCCUPATIONAL HEALTH CTRS OF WA	DOT PHYSICALS FOR D. BAKER, L.	327.00
P0106363	00204453	XEROX CORPORATION	2020 COPIER CHARGES	248.11
P0108368	00204438	OCCUPATIONAL HEALTH CTRS OF WA	DOT Physicals - Troy, Moltz	218.00
P0106363	00204453	XEROX CORPORATION	2020 COPIER CHARGES	133.84
<i>Org Key: MT4200 - Building Services</i>				
P0108374	00204442	RAINIER BUILDING SRV OF WA INC	JULY 2020 JANITORIAL SERVICES	3,675.91
P0108374	00204442	RAINIER BUILDING SRV OF WA INC	JULY 2020 JANITORIAL SERVICES	1,450.19
<i>Org Key: MT4300 - Fleet Services</i>				
P0108361	00204417	AUTONATION INC	FLEET PARTS	838.49
P0108369	00204444	SEATTLE BOAT COMPANY	Marine Patrol Fuel	422.73
P0105794	00204409	KIA MOTORS FINANCE	PW 2019 KIA NIRO PHEV LEASE	388.20
P0108369	00204444	SEATTLE BOAT COMPANY	Marine Patrol Fuel	309.86
P0108369	00204444	SEATTLE BOAT COMPANY	Marine Patrol Fuel	225.08
P0108360	00204440	PACIFIC RUBBER	HOSE & HARDWARE	45.07
<i>Org Key: PO2100 - Patrol Division</i>				
P0108366	00204422	CLEANERS PLUS 1	Uniform Cleaning July 2020	688.27
P0108362	00204432	KROESENS UNIFORM COMPANY	PD uniform/equipment	361.88
P0108362	00204432	KROESENS UNIFORM COMPANY	PD uniform/equipment	27.50
<i>Org Key: PO2201 - Dive Team</i>				
P0108353	00204446	UNDERWATER SPORTS INC.	Dive Team Equipment	986.65
P0108368	00204438	OCCUPATIONAL HEALTH CTRS OF WA	Dive Physical - Noel	498.00
<i>Org Key: PO4300 - Police Training</i>				
	00204418	Barragan, Foster	CPR/AED training/ CERT	42.00
	00204445	Smith, Christopher	CPR/AED training/ CERT	42.00
<i>Org Key: PR4100 - Community Center</i>				
P0108374	00204442	RAINIER BUILDING SRV OF WA INC	JULY 2020 JANITORIAL SERVICES	2,496.79
<i>Org Key: PR6100 - Park Maintenance</i>				

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108295	00204421	CESSCO INC	SHARPEN MOWER BLADES	32.84
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
P0108374	00204442	RAINIER BUILDING SRV OF WA INC	JULY 2020 JANITORIAL SERVICES	172.99
<i>Org Key: ST0001 - ST Traffic Safety Enhancements</i>				
P0108376	00204420	BUILDERS EXCHANGE OF WA	PUBLISH PROJECTS ONLINE	45.00
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0108365	00204439	OGDEN MURPHY WALLACE PLLC	Invoice 841229 Professional	180.00
<i>Org Key: WS901G - Sewer System Generator Repl</i>				
P0104206	00204408	KBA INC	UTILTIY CONSTRUCTION	1,669.50
<i>Org Key: YF1100 - YFS General Services</i>				
P0108356	00204450	VERIZON WIRELESS	Cell Charges/YFS	88.11
Total				62,618.95

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204407	08/18/2020	BSK ASSOCIATES Project UCMR4 - Contractor	P0108325	VD01578	05/26/2020	650.00
00204408	08/18/2020	KBA INC UTILTIY CONSTRUCTION MANAGEMEN	P0104206	3005376	07/13/2020	1,669.50
00204409	08/18/2020	KIA MOTORS FINANCE PW 2019 KIA NIRO PHEV LEASE	P0105794	1914423378-AUG20	08/04/2020	388.20
00204410	08/18/2020	KING COUNTY FINANCE I-NET MONTLY SERVICES FROM	P0107116	11009303	07/31/2020	1,122.00
00204411	08/18/2020	MI CHAMBER OF COMMERCE MONTHLY CHAMBER OF COMMERCE	P0106841	OH013698	07/31/2020	600.00
00204412	08/18/2020	MI EMPLOYEES ASSOC Payroll Early Warrants		OH013696	08/14/2020	240.00
00204413	08/18/2020	SCHOENTRUP, WILLIAM reprint check from 10.24.19		00200716-REPRINT	08/18/2020	1,307.79
00204414	08/18/2020	UNITED STATES TREASURY Payroll Early Warrants		OH013697	08/14/2020	826.84
00204415	08/18/2020	VERIZON WIRELESS 2020 Verizon Wireless 8.15.20	P0108400	9859306309	07/23/2020	5,579.50
00204416	08/21/2020	ASPECT SOFTWARE INC Telestaff Monthly Fee	P0108371	ASI060941	08/05/2020	165.00
00204417	08/21/2020	AUTONATION INC FLEET PARTS	P0108361	152890/153023/37	08/10/2020	838.49
00204418	08/21/2020	Barragan, Foster CPR/AED training/ CERT		OH013699	08/01/2020	42.00
00204419	08/21/2020	Beeravalli, Vishal Refund drop-in membership	P0108349	32392	07/31/2020	17.25
00204420	08/21/2020	BUILDERS EXCHANGE OF WA PUBLISH PROJECTS ONLINE	P0108376	1066391	07/09/2020	45.00
00204421	08/21/2020	CESSCO INC REPAIR CUT OFF SAW	P0108295	13211/13512	08/11/2020	252.05
00204422	08/21/2020	CLEANERS PLUS 1 Uniform Cleaning July 2020	P0108366	73091	08/01/2020	688.27
00204423	08/21/2020	COMCAST Internet Charges/Fire	P0108355	0005511-0820	08/16/2020	262.84
00204424	08/21/2020	CULLIGAN SEATTLE WA Water Service/Fire	P0108357	202008672721	07/31/2020	275.68
00204425	08/21/2020	Derakshani, Donya Refund drop-in membership	P0108346	32383	08/14/2020	50.88
00204426	08/21/2020	FREE WHEELCHAIR MISSION Refund rental fees FA-3882 due	P0108387	OH013701	08/14/2020	1,733.50
00204427	08/21/2020	GRAINGER INVENTORY PURCHASES	P0108354	9616209517	08/10/2020	298.78
00204428	08/21/2020	H D FOWLER 2" ADJ SADDLE SUPPORT ZINC PLA	P0108372	15544053	08/04/2020	224.93
00204429	08/21/2020	Hardwick Research COVID-19 Business Survey	P0108377	301056	08/12/2020	5,970.00
00204430	08/21/2020	JAYMARC LUXURY HOMES LLC REFUND WATER SERVICE DEPOSIT	P0108385	1711-165	08/14/2020	337.59
00204431	08/21/2020	Kevin & Tony LLC REFUND WATER SERVICE DEPOSIT	P0108380	1711-062	08/10/2020	355.63
00204432	08/21/2020	KROESENS UNIFORM COMPANY PD uniform/equipment	P0108362	61023	08/04/2020	389.38

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00204433	08/21/2020	Largo, Anthony Refund drop-in membership	P0108348	32390	07/31/2020	17.25
00204434	08/21/2020	Leung, Alice REFUND WATER SERVICE DEPOSIT	P0108379	1907-183	08/10/2020	459.50
00204435	08/21/2020	Madrona Law Group, PLLC Invoice 10319 Professional Ser	P0108364	10321	08/04/2020	7,860.00
00204436	08/21/2020	MERCER ISLAND REPORTER PW RENEWAL OF MI REPORTER	P0108373	MI-431188	07/31/2020	60.00
00204437	08/21/2020	NEXTREQUEST CO Services - Public Records Soft	P0108370	1571	08/06/2020	10,389.21
00204438	08/21/2020	OCCUPATIONAL HEALTH CTRS OF WA DOT Physicals - Troy, Moltz	P0108368	68388299	07/08/2020	1,043.00
00204439	08/21/2020	OGDEN MURPHY WALLACE PLLC Invoice 841229 Professional	P0108365	841229	07/24/2020	6,456.00
00204440	08/21/2020	PACIFIC RUBBER HOSE & HARDWARE	P0108360	R042745	08/11/2020	45.07
00204441	08/21/2020	PUBLIC SAFETY SELECTION PC Pre-Hire Psych Eval Trudeau	P0108363	4841	01/01/2020	400.00
00204442	08/21/2020	RAINIER BUILDING SRV OF WA INC JULY 2020 JANITORIAL SERVICES	P0108374	18-1332	08/01/2020	7,795.88
00204443	08/21/2020	Riley, Scott Refund drop-in membership	P0108347	32387	08/14/2020	17.25
00204444	08/21/2020	SEATTLE BOAT COMPANY Marine Patrol Fuel	P0108369	993-19201-78280	07/26/2020	957.67
00204445	08/21/2020	Smith, Christopher CPR/AED training/ CERT		OH013702	07/02/2020	42.00
00204446	08/21/2020	UNDERWATER SPORTS INC. Dive Team Equipment	P0108353	20021089	07/31/2020	986.65
00204447	08/21/2020	UNITED SITE SERVICES Portable restroom for Grovelan	P0108375	114-10617191	07/10/2020	461.44
00204448	08/21/2020	UTILITIES UNDERGROUND LOCATION 2020 UTILITY LOCATES	P0106555	0070173	07/31/2020	343.14
00204449	08/21/2020	Vanderspek, Lisa Refund. Returning deposit on f	P0108378	OH013700	08/14/2020	250.00
00204450	08/21/2020	VERIZON WIRELESS Cell Charges/YFS	P0108356	9859306314	07/23/2020	88.11
00204451	08/21/2020	WHISTLE WORKWEAR SAFETY BOOTS & MISC. WORK CLOT	P0108306	207567	08/02/2020	213.02
00204452	08/21/2020	Williams, Larry Refund drop-in membership	P0108350	32395	08/14/2020	20.71
00204453	08/21/2020	XEROX CORPORATION 2020 COPIER CHARGES	P0106363	011029335	08/01/2020	381.95
					Total	<u>62,618.95</u>

CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date

<u>Report</u>	<u>Date</u>	<u>Amount</u>
EFT Payments	July 2020	\$2,267,095.69

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 24, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL ADP PAYROLL FEESADP - ADP Payroll Services	1,723.24
Jul 24, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL ADP PAYROLL FEESADP - ADP Payroll Services	2,122.40
Jul 20, 2020	Outgoing Money Transfer	VEBA Employee Benefit	130,566.54
Jul 13, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Vimly Benefit SoVimly Premiums	143,631.84
		<i>Employee (payroll) \$15,586.47</i>	
		<i>Employer Portion \$128,045.37</i>	
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE Employee Withholding - Payroll	990.00
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE Employee Withholding - Payroll	15,726.21
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT Employee Withholding - Payroll	15.40
Jul 02, 2020	Outgoing Money Transfer	IAFF Dues Employee Withholding - Payroll	2,313.38
Jul 02, 2020	Outgoing Money Transfer	ICMA Employee Withholding - Payroll	30,176.17
Jul 02, 2020	Outgoing Money Transfer	VEBA Employee Withholding - Payroll	5,933.40
Jul 06, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WASHINGTON-DSHS Employee Withholding - Payroll	599.99
Jul 09, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT Employee Withholding - Payroll	128.65
Jul 09, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT Employee Withholding - Payroll	404.33
Jul 16, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT Employee Withholding - Payroll	82.54
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE Employee Withholding - Payroll	990.00
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE Employee Withholding - Payroll	13,828.38
Jul 17, 2020	Outgoing Money Transfer	IAFF Dues Employee Withholding - Payroll	2,313.38
Jul 20, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WASHINGTON-DSHS Employee Withholding - Payroll	599.99
Jul 20, 2020	Outgoing Money Transfer	ICMA Employee Withholding - Payroll	30,038.44
Jul 23, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT Employee Withholding - Payroll	199.97
Jul 27, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL AFLAC INSURANCE Employee Withholding - Payroll	777.39
Jul 27, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL UNUMGROUP955 Employee Withholding - Payroll	116.60

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 27, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL UNUMGROUP955	Employee Withholding - Payroll 190.50
Jul 30, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NAVIA BENEFIT	Employee Withholding - Payroll 339.86
Jul 31, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE	Employee Withholding - Payroll 990.00
Jul 31, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL NATIONWIDE	Employee Withholding - Payroll 12,789.89
Jul 31, 2020	Outgoing Money Transfer	IAFF Dues	Employee Withholding - Payroll 2,313.38
Jul 31, 2020	Outgoing Money Transfer	ICMA	Employee Withholding - Payroll 30,820.84
Jul 31, 2020	Outgoing Money Transfer	VEBA	Employee Withholding - Payroll 5,933.40
Jul 01, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WA DEPT REVENUE TAX	Leasehold Excise Tax 5,766.53
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL AUTHNET GATEWAY	Merchant Fee - Boat Launch 30.00
Jul 03, 2020	Preauthorized ACH Debit	BOFA MERCH SVCS FEE 430134750159294	Merchant Fee - Boat Launch 634.30
Jul 03, 2020	Preauthorized ACH Debit	BOFA MERCH SVCS FEE 430134260026874	Merchant Fee - City Hall 178.39
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL AUTHNET GATEWAY	Merchant Fee - Mybuildingpermit.com 25.00
Jul 02, 2020	Preauthorized ACH Debit	MERCHANT SVCS MERCH FEE	Merchant Fee - Mybuildingpermit.com 1,946.92
Jul 07, 2020	Preauthorized ACH Debit	VANTIV_INTG_PYMTBILL NG 295483290884	Merchant Fee - Parks and Recreation 233.79
Jul 07, 2020	Preauthorized ACH Debit	VANTIV_INTG_PYMTBILL NG 295483291882	Merchant Fee - Parks and Recreation 56.85
Jul 07, 2020	Preauthorized ACH Debit	VANTIV_INTG_PYMTBILL NG 295483292880	Merchant Fee - Parks and Recreation 31.90
Jul 02, 2020	Preauthorized ACH Debit	MERCHANT SERVICEMERCH	Merchant Fee - Thrift Shop 68.73
Jul 20, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL CAYAN HOLDINGS	Merchant Fee - Thrift Shop 101.59
Jul 22, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL CAYAN LLC PROC INV	Merchant Fee - Thrift Shop 4.95
Jul 01, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES	Merchant Fee - Utility Billing 52.25
Jul 02, 2020	Preauthorized ACH Debit	DIRECT DEPOSIT BANKCARD	Merchant Fee - Utility Billing 4,443.61
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA MONTH END	Merchant Fee - Utility Billing 10.00
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES	Merchant Fee - Utility Billing 5.70

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	6.65
Jul 02, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	8.55
Jul 03, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	0.95
Jul 03, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	3.80
Jul 03, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	4.75
Jul 06, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	49.40
Jul 07, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	2.85
Jul 07, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	2.85
Jul 07, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	6.65
Jul 08, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA REJECT FEE Merchant Fee - Utility Billing	15.00
Jul 08, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA REJECTS Merchant Fee - Utility Billing	330.49
Jul 09, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL INVOICE CLOUD Merchant Fee - Utility Billing	75.00
Jul 09, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	2.85
Jul 10, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	33.25
Jul 13, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA REJECT FEE Merchant Fee - Utility Billing	15.00
Jul 13, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	4.75
Jul 14, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	1.90
Jul 14, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	4.75
Jul 14, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	6.65
Jul 15, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	0.95
Jul 16, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA TRX FEES Merchant Fee - Utility Billing	48.45
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA REJECT FEE Merchant Fee - Utility Billing	15.00
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL PAYA REJECT FEE Billing	30.00

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA REJECTS Billing	556.20
Jul 17, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	16.15
Jul 20, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	1.90
Jul 21, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA REJECT FEE Billing	15.00
Jul 21, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA REJECTS Billing	4,270.94
Jul 21, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	9.50
Jul 21, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	41.80
Jul 22, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	3.80
Jul 23, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA REJECT FEE Billing	45.00
Jul 23, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA REJECTS Billing	7,927.51
Jul 23, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	7.60
Jul 24, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	12.35
Jul 27, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	7.60
Jul 28, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	5.70
Jul 28, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	6.65
Jul 29, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	0.95
Jul 30, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	1.90
Jul 30, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	2.85
Jul 31, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	0.95
Jul 31, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Merchant Fee - Utility PAYA TRX FEES Billing	25.65
Jul 02, 2020	Preauthorized ACH Debit	AUTHNET GATEWAY Merchant Fee - VOICE BOFA MERCH SVCS FEE	81.18
Jul 03, 2020	Preauthorized ACH Debit	430134260026879 Merchant Fee - VOICE BOFA MERCH SVCS FEE	6.45
Jul 03, 2020	Preauthorized ACH Debit	430134260026884 Merchant Fee - YFS LB	6.45

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 15, 2020	Outgoing Money Transfer	ADP PAYROLL Net Payroll 7-17-2020	449,585.48
Jul 29, 2020	Outgoing Money Transfer	ADP PAYROLL Net Payroll 7-31-2020	454,328.26
Jul 01, 2020	Preauthorized ACH Debit	BOFA MERCH SVCS NSF Boat Launch	11.00
Jul 22, 2020	Preauthorized ACH Debit	CHARGEBACK430134750 BOFA MERCH SVCS NSF Boat Launch	11.00
Jul 01, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL ADP Tax ADP Tax Payroll Taxes	165,227.78
		<i>Employee (payroll withholding)</i>	\$121,164.82
		<i>Employer Portion</i>	\$44,062.96
Jul 16, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL ADP Tax ADP Tax Payroll Taxes	158,288.53
		<i>Employee (payroll withholding)</i>	\$116,175.14
		<i>Employer Portion</i>	\$42,113.39
Jul 30, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL ADP Tax ADP Tax Payroll Taxes	156,171.13
		<i>Employee (payroll withholding)</i>	\$114,636.20
		<i>Employer Portion</i>	\$41,534.93
Jul 06, 2020	Preauthorized ACH Debit	5 3 BANKCARD SYSNET Refunds - Parks & Recreation	37.50
Jul 13, 2020	Preauthorized ACH Debit	SETLMT295483290884 Refunds - Parks & Recreation	3,132.50
Jul 21, 2020	Preauthorized ACH Debit	5 3 BANKCARD SYSNET Refunds - Parks & Recreation	107.36
Jul 28, 2020	Preauthorized ACH Debit	SETLMT295483290884 DIRECT WITHDRAWAL WA DEPT REVENUE TAX Remit Excise Tax	51,026.00
		<i>Water Utility</i>	\$33,096.30
		<i>Sewer Utility</i>	\$14,916.64
		<i>Stormwater Utility</i>	\$2,488.94
		<i>Thrift Shop</i>	\$104.61
		<i>Parks and Recreation</i>	\$419.51
Jul 08, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WA DEPT RET SYS DRS Remit Retirement	126,576.85
		<i>Employee (payroll)</i>	\$59,189.96
		<i>Employer Portion</i>	\$67,386.89
Jul 09, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WA DEPT RET SYS DRS Remit Retirement	117,925.32
		<i>Employee (payroll)</i>	\$54,415.26
		<i>Employer Portion</i>	\$63,510.06

Accounts Payable EFT Report

Item 3.

Date	Type	Vendor Name/Description	Amount
Jul 31, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL WA DEPT RET SYS DRS Remit Retirement <i>Employee (payroll)</i> \$56,164.63 <i>Employer Portion</i> \$63,999.75	120,164.39
Jul 23, 2020	Preauthorized ACH Debit	DIRECT WITHDRAWAL Underground Tank License WA DEPT REVENUE BLS Fee	531.40
Total			\$ 2,267,095.69



CITY OF MERCER ISLAND CERTIFICATION OF PAYROLL

Item 4.

PAYROLL PERIOD ENDING	8.7.2020
PAYROLL DATED	8.14.2020
Net Cash	\$ 449,396.37
Net Voids/Manuals	\$ -
Net Total	\$ 449,396.37
Federal Tax Deposit - Key Bank	\$ 75,166.87
Social Security and Medicare Taxes	\$ 39,910.61
Medicare Taxes Only (Fire Fighter Employees)	\$ 2,173.82
State Tax (Massachusetts)	\$ 11.43
Public Employees Retirement System 2 (PERS 2)	\$ 23,211.83
Public Employees Retirement System 3 (PERS 3)	\$ 4,696.64
Public Employees Retirement System (PERSJM)	\$ 870.75
Public Safety Employees Retirement System (PSERS)	\$ 244.82
Law Enforc. & Fire fighters System 2 (LEOFF 2)	\$ 25,161.79
Regence & LEOFF Trust - Medical Insurance	\$ 10,381.68
Domestic Partner/Overage Dependand - Insurance	\$ 589.99
Group Health Medical Insurance	\$ 905.11
Health Care - Flexible Spending Accounts	\$ 1,636.60
Dependent Care - Flexible Spending Accounts	\$ 767.31
ICMA Deferred Compensation	\$ 30,372.46
Fire 457 Nationwide	\$ 11,664.21
Roth - ICMA	\$ 475.00
Roth - Nationwide	\$ 990.00
Tax Levy	\$ 826.84
Child Support	\$ 599.99
Mercer Island Employee Association	\$ 240.00
Fire Union Dues	\$ 2,153.38
Fire Union - Supplemental Dues	\$ 160.00
Standard - Supplemental Life Insurance	\$ 12.00
Unum - Long Term Care Insurance	\$ 196.45
AFLAC - Supplemental Insurance Plans	\$ 364.14
Coffee Fund	\$ 120.00
Transportation	\$ 56.67
HRA - VEBA	\$ 5,934.18
Tax & Benefit Obligations Total	\$ 239,894.57

TOTAL GROSS PAYROLL \$ 689,290.94

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

95 _____
Mayor Date

Set A




CITY OF MERCER ISLAND CERTIFICATION OF PAYROLL

PAYROLL PERIOD ENDING	8.21.2020
PAYROLL DATED	8.28.2020
Net Cash	\$ 459,254.45
Net Voids/Manuals	\$ -
Net Total	\$ 459,254.45
Federal Tax Deposit - Key Bank	\$ 74,899.17
Social Security and Medicare Taxes	\$ 41,038.47
Medicare Taxes Only (Fire Fighter Employees)	\$ 2,163.86
State Tax (Massachusetts)	\$ -
Public Employees Retirement System 2 (PERS 2)	\$ 22,931.76
Public Employees Retirement System 3 (PERS 3)	\$ 4,769.99
Public Employees Retirement System (PERSJM)	\$ 870.75
Public Safety Employees Retirement System (PSERS)	\$ 214.08
Law Enforc. & Fire fighters System 2 (LEOFF 2)	\$ 26,009.11
Regence & LEOFF Trust - Medical Insurance	\$ 9,990.66
Domestic Partner/Overage Dependant - Insurance	\$ 589.99
Group Health Medical Insurance	\$ 742.41
Health Care - Flexible Spending Accounts	\$ 1,636.60
Dependent Care - Flexible Spending Accounts	\$ (2,348.13)
ICMA Deferred Compensation	\$ 30,575.35
Fire 457 Nationwide	\$ 11,125.33
Roth - ICMA	\$ 475.00
Roth - Nationwide	\$ 1,090.00
Tax Levy	\$ 826.84
Child Support	\$ 599.99
Mercer Island Employee Association	\$ 240.00
Cities & Towns/AFSCME Union Dues	\$ 2,417.10
Police Union Dues	\$ 2,334.83
Fire Union Dues	\$ 2,153.38
Fire Union - Supplemental Dues	\$ 160.00
Standard - Supplemental Life Insurance	\$ 317.90
Unum - Long Term Care Insurance	\$ 196.45
AFLAC - Supplemental Insurance Plans	\$ 364.14
Coffee Fund	\$ 116.00
Transportation	\$ 56.67
HRA - VEBA	\$ 5,935.59
Nationwide Extra	\$ 485.69
Oregon Transit Tax and Oregon Benefit Tax	\$ -
Tax & Benefit Obligations Total	\$ 242,978.98

TOTAL GROSS PAYROLL	\$ 702,233.43
----------------------------	----------------------

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



 Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

 Mayor Date



CITY COUNCIL MINUTES REGULAR VIDEO MEETING JULY 21, 2020

EXECUTIVE SESSION

At 4:00 pm, Mayor Wong convened an Executive Session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) for approximately 30 minutes using teleconferencing technology provided by Microsoft Teams.

At 4:24 pm, Mayor Wong adjourned the Executive Session.

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the meeting to order at 5:00 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using teleconferencing technology provided by Zoom.

The Mercer Island City Leadership Team participated from remote locations.

City Manager Jessi Bon, and City Clerk Deborah Estrada participated remotely from separate rooms at City Hall, 9611 SE 36th Street, Mercer Island, Washington.

PLEDGE OF ALLEGIANCE

Deputy Mayor Weiker led the Council in the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Anderl; seconded by Jacobson to:

Approve the agenda as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

SPECIAL BUSINESS

On behalf of the City Council, Councilmember Salim Nice presented the 2019 Citizen of the Year Award to Dave and Kendra Uhler.

Councilmember Nice identified a long list of community contributions and volunteer service by the Uhlers, noting that they are truly committed to the Mercer Island community and their support during emergency situations on Mercer Island is commendable and deeply appreciated.

Dave and Kendra thanked the Council and community for the award and recognition.

CITY MANAGER REPORT

City Manager Jessi Bon reported on the following:

- The City launched a new website
- COVID-19 Update:

- Mask giveaway
- Call Center facts
- Parks Usage and Service Updates:
 - Athletic Field Usage Guidance
 - Parks Usage Guidance
 - Parks Maintenance Brown Out
 - Parks Service Update
 - Pack It Out
 - Water Safety
- Thrift Shop Renovation Project Update
- Fire Service Update
- Road Construction
- Sneeze Guards at City Customer Counter
- Car Parade for Fran Call

APPEARANCES

Ashley Hay, Mercer Island – Ms. Hay expressed support for Agenda Bill 5718 regarding Automated License Plate Reader Technology and encouraged Council to support the new technology for the Mercer Island Police Department. She also expressed concern for Sound Transit and its lack of transparency and response.

Dwight Schaeffer, Mercer Island – Mr. Schaeffer reported on the significant revenue reductions Sound Transit is facing due to COVID, increased remote commuters, and more.

Emily Yang, Mercer Island – Ms. Yang addressed changes she and other students would like to see on the Island related to Black Lives Matter, including a school district curriculum and recognizing black cultural month in the district.

Elsa Lanctot, Mercer Island – Ms. Lanctot encouraged the Mercer Island Police Department to improve its implicit bias training and hire candidates with higher education and degrees in psychology.

Gracie Galvin, Mercer Island – Ms. Galvin reported that she and others created a list of community demands for both the school district and City. She encouraged all Councilmembers to support the Mayor signing the Obama Pledge.

Benjamin Molina, Mercer Island – Mr. Molina spoke in opposition to installing Automated License Plate Readers and encouraged Mercer Island to use the funds to support YFS services.

Robert Klein, Mercer Island – Mr. Klein encouraged the City Council to support animal control laws, explaining that he and his dog were attacked by a mixed breed pit bull and suffered multiple wounds.

Addie Smith, Mercer Island – Ms. Smith reported that white supremacy exists on the Island, explaining that she spoke with the police department several times and requested that they write a report regarding the discrimination she and her daughter had received.

Meg Lippert, Mercer Island – Ms. Lippert's comments addressed repurposing the Recycling Center and its origin and construction. The original vision for community engagement and recycling included an intake center for the Thrift Shop, a native plants and gardening center, and a sustainability education center. She encouraged the Council and its architect will respect its original design and historical significance to the City.

Mark Hirayama, Mercer Island – Hirayama encouraged Council to support the ordinance that would end the proposed Mercer Island Commuter Parking and Mixed Use Project.

Let's Talk Council Connects Comments:

Sarah F – As a Mercer Island High School student, Sarah advocated for the same demands that the Mercer Island BLM protest has advocated for and encouraged Mayor Wong to sign Obama's Mayor's Pledge. She also expressed that Student Resource Officers mostly cause discomfort among BIPOC students. Sarah

asked MI officials to further investigate the Addie Smith case and allegations against MI prosecutors.

Mercer Island Chamber – The Chamber commented in support of Ryan Companies and the redevelopment of the former Farmers site, explaining that it would dramatically strengthen the economic vitality of Mercer Island. The Chamber believes the entire site should be exempt from the Town Center Moratorium, which would allow Ryan Companies to move forward with its development plans.

Mallory Van Abbema – Abbema commented as a representative of the Housing Development Consortium of Seattle-King County and in opposition to the Council’s proposed action to repeal the City’s Multi-Family Tax Exemption program. She further explained that repealing the MFTE would be in direct conflict with the City’s housing goals and would lead to a more un-affordable Mercer Island.

Gina Clark – Clark commented as a representative of the Master Builders Association of King and Snohomish Counties in opposition to the proposed action by Council to cancel the City’s Multifamily Tax Exemption (MFTE). She urged the City to take a different approach to potential budget constraints, to preserve staff and work with the community, affordable housing providers, and available programs like MFTE.

Peter Orser, Mercer Island – Orser spoke in support of the Multifamily Tax Exemption and urged Council not to eliminate the program.

CONSENT CALENDAR

Approve **Accounts Payable** Report for the period ending July 10, 2020 in the amount of \$865,718.75,
Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Claims Reporting for **Electronic Funds Transfers** for the month ending June 30, 2020 in the amount of \$2,297,102.01
Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Approve **Certification of Payroll** dated July 17, 2020 in the amount of \$700,579.13
Recommendation: Certify that the materials or services specified have been received and that all fund warrants are approved for payment.

Approve **Minutes:**
 A. June 16, 2020 Regular Video Meeting
 B. July 7, 2020 Regular Video Meeting

AB 5725: West Mercer Way Pedestrian Crossings Bid Award
Recommended Action: Award the West Mercer Way Pedestrian Crossings project to Kamins Construction in the amount of \$190,183.50. Set the total project budget to \$385,104 and direct the City Manager to execute the construction contract.

AB 5722: Renew Interlocal Agreement with King County for the CDBG and HOME Consortiums
Recommended Action: Authorize the automatic renewal of the interlocal agreement with King County for the Community Development Block Grant consortium and the HOME Investment Partnerships Program consortium.

It was moved by Reynolds; seconded by Rosenbaum to:

Approve the Consent Calendar as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

REGULAR BUSINESS

AB 5729: Town Center Moratorium (Public Hearing)

PUBLIC HEARING

Mayor Wong opened the public hearing at 6:51 pm.

Marc Gearhart, Vice President of Development for Ryan Companies, addressed the Council regarding the scope of emergency moratorium Ordinance No. 20-12, outlining the reasons why the Mercer Park property, formerly known as the Farmers Insurance Building, should not be included in the moratorium. The reasons included:

- The Mercer Park property has never been identified as a potential retail site.
- TC3 zoned property, particularly the Mercer Park Property, is intended to be a transition between residential zoned property and commercial uses in the Town Center.
- The existing zoning code provides adequate retail development capacity to preserve all existing retail south of 29th without adding a retail requirement to the Mercer Park property.
- The challenge facing existing retail businesses is not an issue with the zoning code.
- The current moratorium will significantly impact economic development in the Town Center if the Mercer Park Project is included in the moratorium.

There being no further comments by the public, Mayor Wong closed the public hearing at 6:58 pm.

Evan Maxim, Community Planning & Development Director, outlined the scope of the Moratorium explaining that Council had the option to direct staff to prepare an ordinance to amend the geographical area or the scope of development. He went on to explain that adoption of an amended moratorium would be required at a future Council meeting. Alternatively, Council could choose not to change the current moratorium scope. Maxim proceeded to outline the preliminary findings of fact supporting the moratorium and explained that staff needed Council consensus around the basis for the moratorium to inform staff in preparing the findings of fact for adoption by the City Council.

Council deliberated the scope of the moratorium at length and directed staff to prepare an amended ordinance reducing the size of the area subject to the moratorium and including additional findings of fact.

It was moved by Jacobson; seconded by Nice to:

Direct staff to return with an ordinance revising the moratorium to include south of SE 29th Street to the Town Center boundary and east of 77th Avenue SE to the west side of 80th Avenue SE.

A roll call vote was conducted, and the results were as follows:

Passed 5-2

FOR: 5 (Jacobson, Rosenbaum, Nice, Weiker, and Wong)

AGAINST: 2 (Anderl, Reynolds)

AB 5727: YFS Foundation Donation Acceptance and YFS Fund Update

Derek Franklin, Senior Programs Manager, and Ed Holmes, Chief of Police, explained that the Youth and Family Services Working Group focused on short-term and long-term funding options for the YFS and options for the Foundation's donation, noting that the Foundation was offering up to \$815,000 to the City. Chief Holmes explained that \$617K was offered without conditions and \$198 was offered with a condition that the City provide a match. Holmes further explained that as of July, expenses outpaced revenues by \$783,000.

It was moved by Nice; seconded by Anderl to:

Authorize the City Manager to accept \$102,600 from the YFS Foundation to restore the services as previously described for the remainder of 2020.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5717: CARES Act Coronavirus Relief Funds Grant Acceptance

Merrill Thomas-Schadt, EOC Grants & Time Tracking Coordinator, explained that the City of Mercer Island was awarded \$734,100 through Washington State's Coronavirus Relief Funds, made available by the Coronavirus Aid, Relief, and Economic Security Act (CARES), explaining that acceptance of the grant funding will enable the City to allocate the funds to support the City's response to the COVID-19 Pandemic, specifically Emergency

Operations Center operations. She went on to outline the eligible costs for reimbursement the Department of Commerce's written guidance and ongoing resources to local governments to assist in determining reimbursement eligibility.

It was moved by Jacobson; seconded by Anderl to:

Authorize the City Manager to accept CARES Act Coronavirus Relief Funds from Washington State in the amount of \$734,100. Appropriate the full amount to support the City's emergency operation in response to the Pandemic through December 31, 2020.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5732: Adoption of Resolution No. 1584 Related to Ending the Proposed Mercer Island Commuter Parking Mix Use Project.

City Manager Bon briefly outlined the history of the Proposed Mercer Island Commuter Parking Mix Use Project. She then explained that as a result of the City's ongoing fiscal distress and pandemic response efforts, and in light of the differences in the parties' vision and expectations for the Project, the Project had become impracticable and unfeasible for the City. Consequently, MainStreet was notified of the City's Manager's executive decision to halt the Project. City Council was asked to confirm that it is no longer feasible, nor in the best interests of the city or its residents to proceed with the Project proposed in the MOU.

It was moved by Anderl; seconded by Weiker to:

Adopt Resolution No. 1584 confirming the end of the proposed Mercer Island Commuter Parking and Mixed-Use Development Project and directing the City Manager to conclude the City's relationship with MainStreet under the MOU.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5728: Repeal of the Multifamily Housing Property Tax Exemption program (2nd Reading)

Evan Maxim, Community Planning & Development Director, briefly reviewed the MFTE program's history and explained that the elimination of the program does not require a Comprehensive Plan amendment. He also explained that following the establishment of the MFTE program, no multifamily projects participated in the program, which likely indicates that the intended financial incentive was not functioning as originally intended by the City Council.

Maxim explained that staff recommended that the City Council consider repealing the MFTE program in MICC 4.50. He further explained that as part of a future work plan, staff recommended that the City Council take up a more comprehensive discussion of the City's affordable housing goals, policies, and programs.

It was moved by Jacobson; seconded by Nice to:

Adopt Ordinance No. 20C-14

A roll call vote was conducted, and the results were as follows:

Passed 5-2

FOR: 5 (Anderl, Jacobson, Rosenbaum, Nice, and Wong)

AGATINST: 2 (Reynolds, Weiker)

AB 5718: Automated License Plate Readers

Police Commander Jeff Magnan explained that in response to Council direction, Police Department staff prepared a recommendation and cost estimate for an Automatic License Plate Reader (ALPR) program. In response to privacy concerns associated with ALPR systems, staff contacted the American Civil Liberties Union ("ACLU") to request their input on ALPRs. ACLU's primary concerns focused on privacy and data retention. Staff believe most of the ACLU's concerns are addressed in the City's policy, which limits the reasons the system will alert officers and limits the data retention to a maximum of 14 days. Retention for hits associated with police cases will follow the State's retention schedule. Commander Magnan went on to explain the initial cost for equipping three vehicles with the ALPR system was \$86,907, which included the hardware, software, installation, and sales tax. He further noted that the ongoing fees for the ALPRs were \$7,725 each year for the first 5 years,

which included software maintenance and the parking enforcement toolkit.

It was moved by Anderl; seconded by Nice to:

Authorize the appropriation of \$86,907 from the federal seizure funds and the Equipment & Technology Fund to purchase and install three ALPR systems in the Police Department vehicles.

It was moved by Reynolds; seconded by Weiker to:

The ALPR system shall not be installed, activated, or used except in accord with city council approved policies on data security, access, and retention.

A roll call vote was conducted, and the results were as follows:

Failed 6-1

AGAINST: 6 (Anderl, Jacobson, Rosenbaum, Nice, Weiker, and Wong)

FOR: 1 (Reynolds)

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5731: Mayors Call to Action Pledge to Address Police Use of Force Policies

Mayor Wong explained that over the past month he and the City Council had received a number of requests for the Mayor to sign the "Mayors Commit to Action Pledge" for the Obama Foundation's My Brother's Keep Alliance, explain that the Pledge is aimed at addressing use of force policies in police departments across the country.

Council discussed that the Police Chief had recently reviewed the Mercer island Police Department's Use of Force policy and had made some revisions. Police Chief Holmes responded, explaining that MIPD contracts with Lexipol, a company that writes policies for police departments and currently uses and supports Lexipol's Use of Force policy, as it comports with federal and state law. Staff also explained that if the Mayor were to sign the Pledge, there would be an expectation that the community would be actively involved in reforming the Use of Force policy.

Council discussed the pledge at length, recognizing that there was not an option to revise the proclamation.

It was moved by Weiker; seconded by Rosenbaum to:

Authorize the Mayor to sign the Mayors Call to Action Pledge

A roll call vote was conducted, and the results were as follows:

FOR: 6 (Anderl, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

ABSTAIN: 1 (Jacobson)

OTHER BUSINESS

Planning Schedule

City Manager Bon recommended adding an October 13 Special Meeting and suggested walking through the budget schedule at the August 4 meeting. The second meeting in August was canceled.

Councilmember Absences

There were no absences to report.

Councilmember Reports

Councilmember Reynolds expressed his appreciation for Evan Maxim and thanked staff the new website.

Councilmember Rosenbaum agreed with Councilmember Reynolds' comments and encouraged residents to visit the new French bakery.

Councilmembers Anderl and Nice expressed appreciation for the new website.

Councilmember Jacobson reported that he attended a meeting with the Mayor wherein the Mercer Island School

District announced that all classes would be virtual for a while.

Deputy Mayor Weiker reported that AWC held a meeting with the Governor’s Office of Public Health wherein it was reported that the pandemic was getting worse and that everyone should do their part to wear masks and encourage social distancing.

Mayor Wong reported on the School Superintendents’ advisory meeting on July 15, noting that the next meeting was scheduled for July 29. He also encouraged residents to attend the August 6 School Board meeting when the Board is scheduled to discuss its plan for opening schools on Mercer Island.

ADJOURNMENT

There being no additional business to come before City Council, the Special Video Meeting adjourned at 11:03 pm.

Attest:

Benson Wong, Mayor

Deborah A. Estrada, City Clerk



CITY COUNCIL MINUTES REGULAR VIDEO MEETING AUGUST 4, 2020

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the meeting to order at 5:00 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a video teleconferencing platform by Zoom.

The Mercer Island City Leadership Team participated from remote locations.

City Manager Jessi Bon, and City Clerk Deborah Estrada participated remotely from separate rooms at City Hall, 9611 SE 36th Street, Mercer Island, Washington.

PLEDGE OF ALLEGIANCE

Councilmember Jacobson led the Council in the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Anderl; seconded by Jacobson to:

Approve the agenda as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

CITY MANAGER REPORT

City Manager Bon reported on the following:

- Council Meeting Updates
- Board and Commission Openings
- COVID-19 Update
- City Services Updates:
 - Mercer Island Community & Event Center
 - Luther Burbank Docks Design Charrette
 - Thrift Shop Soft Opening August 16
 - Municipal Court Resuming August 24
 - Backflow Testing Update
 - Business Survey
 - New RestartMI Monthly E-Newsletter
- Parks Update & Call to Action
 - Groveland Beach Closure
 - Strained Parks Maintenance
 - Pack out garbage

APPEARANCES

Carrie Wernick-Newman, Mercer Island – Wernick-Newman thanked City Council for their June 9 proclamation for a “Renewed Commitment to Diversity, Equity, and Inclusion” in Mercer Island and encouraged City Council to continue to find ways to make Mercer Island a more diverse and inclusive environment. She advocated for a diversity, equity, and inclusion committee to oversee how race, religion, culture, and more are considered in education, planning, and other areas in the community.

Meg Lippert, Mercer Island – Lippert addressed the historical importance of the Mercer Island Recycling Center to the Mercer Island community, and on the protection of this legacy going forward. She also thanked the Council for adding video appearances to the next Council meeting.

Robin Russell, Mercer Island – Russell spoke in opposition to the expansion of the Thrift Store and the Recycling Center, noting that city revenues are down and there are too many unknowns created by COVID-19. She also expressed concern for the increased traffic in and around Mercerdale Park, noting that any work done to the Thrift Store and the Recycling Center needs to include preserving the Park.

CONSENT CALENDAR

Approve **Accounts Payable** Reports:

A) July 17, 2020 in the amount of \$111,588.35

B) July 24, 2020 in the amount of \$430,305.07

Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Approve **Certification of Payroll** dated July 31, 2020 in the amount ending \$681,410.57

Recommendation: Certify that the materials or services specified have been received and that all fund warrants are approved for payment.

Approve **Minutes** of the July 14, 2020 Special Video Meeting.

AB 5733: Building Access Control System Bid Award

Recommended Action: Award the Building Access Control System project to Security Solutions NW in the amount of \$150,206.00. Set the total project budget to \$199,827.00 and direct the City Manager to execute the contract.

AB 5734: Appropriation of Synthetic Turf Sinking Fund for South Mercer Turf Replacement

Recommended Action: Appropriate an amount not to exceed \$729,406 from the Synthetic Turf Sinking Fund to the Mercer Island School District for replacement of the synthetic turf at the South Mercer Playfield.

It was moved by Nice; seconded by Reynolds to:

Approve the Consent Calendar as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

REGULAR BUSINESS

AB 5720: Zayo Franchise (1st Reading)

Interim Community Planning and Development Director Patrick Yamashita introduced Daniel Kenny, Attorney with Ogden Murphy Wallace, to review the proposed Zayo Franchise Ordinance. Kenny explained that Zayo approached the City approximately one year ago requesting a franchise agreement. He further explained that it was Zayo's desire to install new wireline facilities which would initially serve existing facilities with slow connections. He emphasized that the agreement would not allow small wireless facilities, but rather wireline. Kenny continued, explaining that the initial deployment would connect eight existing locations with high speed fiber data connections and that additional deployments would be covered by the Franchise Agreement.

It was moved by Reynolds; seconded by Nice to:

Set Ordinance No. 20-16 for second reading and adoption on September 1, 2020.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5737: Emergency Ordinance (20C-17) to Temporarily Allow Private Parking and Right-of-Way Use by

Businesses to Meet Safe Start Plan Guidelines.

Sarah Bluvas, EOC Business Liaison, explained that Phase 2 restrictions limited indoor dining to members of the same household and prohibited bar-area seating until Phase 4. In response to local business requests for additional outdoor seating that would provide ROW sidewalk or parking use as well as private sidewalk or private parking use, staff prepared Ordinance 20C-17, which would amend MICC 19.06.050 and authorize use of private parking areas for outdoor dining and waive the minimum parking regulations. Bluvas continued, explaining that the proposed ordinance would add more ways for Islanders to spend local while still adhering to Safe Start guidelines. In response to Council questions, Bluvas explained that the ordinance would remain in effect for six months following adoption or until King County moves into Safe Start Phase 4.

Council asked questions regarding the permitting process, to which Bluvas explained that the estimated review costs for a commerce on public property permit were \$347.63 and that staff recommended covering the permit fee with King County CARES Act funding. Council also asked about insurance requirements for businesses, to which staff responded and agreed to reach out to the city's insurance authority, WCIA, to determine limits and encumbrances.

It was moved by Jacobson; seconded by Rosenbaum to:

Waive second reading of Ordinance No. 20C-17 pursuant to Council Rules 6.3 and 10.1.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

It was moved by Anderl; seconded by Jacobson to:

Adopt Ordinance No. 20C-17, as amended, providing temporary measures to allow more outdoor seating for eating and drinking establishments on City rights-of-way and on "off-street" private commercial parking areas.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

It was moved by Nice; seconded by Anderl to:

Authorize staff to waive the permit fee and utilize King County CARES Act funding to cover the cost.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5736: Town Center Moratorium Update and Findings of Fact

Alison Van Gorp, Deputy Community Planning & Development Director, reviewed the Findings of Fact explaining that on June 2, the City Council adopted Ordinance No. 20-12, placing a moratorium on major new construction the Town Center. The City Council subsequently held a public hearing on July 21 and directed staff to draft an ordinance amending the geographic extent of the moratorium. She went on to explain that the Consultant RFP was in development for retail analysis and that staff would return in the fall with a scope of work and a schedule and appropriation request for Council to consider. Van Gorp further noted that any amendments to the Town Center regulations or the Comprehensive Plan would require Planning Commission review, a public hearing, and adoption by the City Council.

It was moved by Jacobson; seconded by Rosenbaum to:

Set Ordinance No. 20-18 for a second reading on September 1, 2020.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5735: Thrift Store & Recycling Center Remodel Project Update

Jason Kintner, Public Works Director, reported that at the June 16, 2020 City Council meeting, the City Council authorized staff to retain architectural services and begin the preliminary design assessment for the Thrift Store and Recycling Center to enhance and expand retail floor space at the Thrift Shop and to complete a design for the former Recycling Center to support donation processing. Eight firms responded to the Request for

Qualifications, three firms were interviewed, and Osborn Architects, Inc. (OAI) was selected. Kintner introduced Project Architect Anais Adamska and Principal Jerry Osborn as the OAI Team.

Adamska outlined the Recycling Center's and Thrift Shop's existing conditions, noting that the Thrift Shop appeared to have been expanded or modified at least three times. She further explained that the preliminary design was focused on minimizing impacts to structural walls and plumbing configurations to reduce costs. The proposed design included ADA restrooms, new office space, and improved retail floor layout.

Council asked several questions and debated options at length. City Manager Bon recommended that Council slow down the process to allow the consultants and staff to develop good analysis, to which Council agreed made sense.

AB 5738: Anti-Racism and Cultural Awareness Training and Listening Sessions Update

Chief of Administration Ali Spietz outlined the City Council's Direction and provided a training update, explaining that staff had reached out to several trainers to schedule anti-racism/implicit bias trainings for City Councilmembers and members of the City's boards and commissions. Most were fully booked for June and July; however, staff will continue to contact trainers with the goal of scheduling sessions in the fall.

Training recommendations included:

- Hold trainings virtually via the Zoom platform, due to COVID-19
- Limit the capacity for each training to create a space where people feel comfortable sharing
- Schedule 3-4 trainings with 15-20 people each, including a mix of Councilmembers and board and commission members in each training

Spietz also outlined the Listening Sessions and noted that staff will be contracting with a consultant to moderate listening sessions with the public and City Council.

Listening recommendations included:

- Schedule for 2-3 listening sessions or more if needed or desired
- Hold sessions virtually via the Zoom platform, due to COVID-19
- Require pre-registration to speak
- Set a speaking time limit
- Accept statements in advance by email
- Group speakers by topic

Spietz reported that staff recommended a goal statement for the listening sessions. A draft statement was reviewed with City Council and after some debate, the statement was revised.

It was moved by Nice; seconded by Weiker to:

Adopt goals statement language as amended.

A roll call vote was conducted, and the results were as follows:

Passed 6-0

FOR: 6 (Anderl, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

Abstain: 1 (Jacobson)

OTHER BUSINESS

Planning Schedule

City Manager Bon reported on the following:

- August 18 City Council meeting is canceled
- Special City Council meeting added on October 13 for budget review
- Planning Schedule scheduled through December 31

Council expressed a desire to cancel and reschedule the November 3 Regular meeting due to the election.

Councilmember Absences

There were no absences to report.

Councilmember Reports

Mayor Wong congratulated Deputy Mayor Wendy Weiker on receiving her Certificate of Municipal Leadership through the Association of Washington Cities.

Councilmember Anderl reported that the Utility Board has not met and that the Salmon Recovery Council was meeting remotely.

Councilmember Rosenbaum reported on the Mercer Island School District and what school will look like in the fall.

Councilmember Jacobson reported that the Eastside Transportation Partnership will be meeting soon.

Councilmember Nice reported on complaints received regarding flyovers on the east channel and reminded Council that they have a voice on the Renton Airport Advisory Committee.

Mayor Wong apologized for three July 30 voice mails that were inadvertently deleted from his phone and he was subsequently unable to return those calls. On July 31, he attended a meeting regarding the East King County Foundation, which enables organizations to make donations to east King County to mitigate the impacts of COVID-19. On July 29, the KC Solid Waste Association sent a letter to SCA notifying them that they did not intend to raise rates in 2021 but may need to consider raising rates in 2022.

EXECUTIVE SESSION

Mayor Wong recessed the Regular Meeting and convened the Executive Session at 8:36 pm to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) for approximately 60 minutes.

At 9:30 pm, Mayor Wong announced that the Executive Session would continue for an additional 15 minutes.

The Executive Session was adjourned at 9:45 pm.

ADJOURNMENT

There being no additional business to come before City Council, the Special Video Meeting adjourned at 9:45 pm.

Attest:

Benson Wong, Mayor

Deborah A. Estrada, City Clerk



CITY COUNCIL MINUTES SPECIAL VIDEO MEETING (EXECUTIVE SESSION) AUGUST 13, 2020

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the Special Meeting to order at 12:00 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using the teleconferencing platform Microsoft Teams.

City Attorney Bio Park participated in the executive session from a remote location using Microsoft Teams.

EXECUTIVE SESSION

At 12:00 pm, Mayor Wong convened an Executive Session for approximately 60 minutes to discuss with legal counsel litigation or potential litigation pursuant to RCW 42.30.110(1)(i).

At 1:00 pm, Mayor Wong adjourned the Executive Session.

ADJOURNMENT

The Special Meeting adjourned at 1:00 pm.

Benson Wong, Mayor

Attest:

Deborah Estrada, City Clerk



CITY COUNCIL MINUTES SPECIAL VIDEO MEETING AUGUST 25, 2020

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the Special Meeting to order at 4:01 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a teleconferencing platform provided by MS Teams.

City Manager Jessi Bon participated from City Hall and City Attorney Bio Park participated in the executive session from a remote location.

EXECUTIVE SESSION

At 4:02 pm, Mayor Wong convened an Executive Session for approximately two hours to discuss with legal counsel litigation or potential litigation pursuant to RCW 42.30.110(1)(i).

At 6:03 pm, Mayor Wong adjourned the Executive Session.

After a brief break, Council went into open session at 6:17 pm.

The City Clerk called the roll for the record.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a teleconferencing platform provided by Zoom.

City Manager Jessi Bon participated from City Hall and City Attorney Bio Park participated in the executive session from a remote location.

SPECIAL BUSINESS

Discuss and take action on citywide communications related to Sound Transit.

Communications Manager Ross Freeman read a letter to the Community from the City Council for the record.

It was moved by Nice; seconded by Jacobson to:

Approve the City Council letter in substantially the form presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

ADJOURNMENT

The Special Meeting adjourned at 6:30 pm.

Benson Wong, Mayor

Attest:

Deborah Estrada, City Clerk



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 5740
September 1, 2020
Consent Calendar**

AGENDA BILL INFORMATION

TITLE:	AB 5740 2020-2021 Interlocal Agreement with the Mercer Island School District for School-Based Counseling Services.	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Authorize the City Manager to sign an Interlocal Agreement with the Mercer Island School District for counseling services during the 2020-2021 school year.	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Youth and Family Services		
STAFF:	Derek Franklin, Senior Program Manager and Clinical Supervisor		
COUNCIL LIAISON:	Wendy Weiker	Salim Nice	Lisa Anderl
EXHIBITS:	1. 2020-2021 Interlocal Agreement for School Counseling Services		
CITY COUNCIL PRIORITY:	n/a		

AMOUNT OF EXPENDITURE	\$ 459,568
AMOUNT BUDGETED	\$ 459,568
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

EXECUTIVE SUMMARY

This Interlocal Agreement authorizes the City of Mercer Island (City) and the Mercer Island School District (District) to cooperatively provide comprehensive counseling services to the students. The City will provide the equivalent of seven (7) counselors from YFS to perform services at District facilities and/or through virtual platforms. After January 1, 2021, the number of counseling professionals and corresponding services provided by the City, are contingent on receipt of sufficient revenues by the City to pay for them.

BACKGROUND

Since 1979, Youth and Family Services (YFS) has maintained a partnership with the Mercer Island School District whereby YFS has placed mental health counselors in each of the District’s schools. This model allows for collaborative counseling programs in the four elementary schools, the middle school, and the high school to include the Crest Learning Center.

In July, the YFS Working Group held two meetings to discuss short-term funding scenarios and recommended that the City Council accept \$102,600 from the YFS Foundation to restore services through the end of 2020.

The YFS Working Group further recommended that the balance of the YFS Foundation’s donation be held for use in the 2021-2022 biennium to stabilize YFS Department services given the ongoing financial uncertainty related to impacts of the Pandemic (see [AB 5727](#)).

The proposed Interlocal Agreement (see Exhibit 1) reflects an annual payment of \$60,000 from the District to support seven mental health and drug and alcohol school-based counseling professionals from YFS. Given the current budget challenges, each counselor will provide services for 32 hours per week rather than 40 hours per week as in previous years. The staffing mix for the 2020-2021 school year will include seven counselors (see table), and the potential for additional graduate-level interns who may account for an equivalent of an additional 0.5 FTE. There are no other substantive changes in this year’s agreement regarding the provision of services other than the reduced hours for each counselor, and the recognition that the provision of counseling services is contingent on there being sufficient revenues to support these services.

The personnel salary figures below were adjusted to reflect the reduced hours and budgeted amounts for the 2020-2021 school calendar year.

2020-2021 ESTIMATE (at 32 hours/week):			
	City Share	District Share	Total
4 Elementary School Counselors	233,352.00	60,000.00	293,352.00
1 Middle School Counselor	78,625.00	-	78,625.00
1 High School Drug/Alcohol Specialist	73,798.00	-	73,798.00
1 High School Counselor	70,877.00	-	70,877.00
Tuition & Registrations	2,400.00	-	2,400.00
	459,052.00	60,000.00	519,052.00

RECOMMENDATION

Authorize the City Manager to sign an Interlocal Agreement with the Mercer Island School District for counseling services during the 2020-2021 school year.

City of Mercer Island and Mercer Island School District 2020-2021 Interlocal Agreement for Counseling Services

THIS INTERLOCAL AGREEMENT (“Agreement”) is entered into by and between Mercer Island School District No. 400 (“District”) and the City of Mercer Island, a municipal corporation of the State of Washington (“City”) (collectively, “Parties”) pursuant to and as authorized by the Interlocal Cooperation Act (Chapter 39.34 RCW).

WHEREAS, the District desires to obtain comprehensive counseling services in an economical and efficient manner; and

WHEREAS, the City provides comprehensive counseling services through its Department of Youth and Family Services (“YFS”); and

WHEREAS, the City Council has determined that the public health, welfare, and safety is enhanced by delivering these services; and

WHEREAS, the Parties desire to enter into this Interlocal Agreement to set forth the terms and conditions under which such counseling services shall be provided by the City to the District;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, to be kept, performed and fulfilled by the respective Parties hereto, and other good and valuable consideration, it is mutually agreed as follows:

Scope of Services

1. Purpose. The purpose of this Agreement is to enable the City and the District to cooperatively provide comprehensive counseling services to the students of the District to the mutual advantage of the Parties and the benefit of the community.
2. Duration/Termination. This Agreement shall commence on September 1, 2020 and terminate on August 31, 2021, provided, however, that the City or the District may terminate the Agreement upon giving thirty (30) days written notice to the other party.

If the Agreement is terminated as provided in this section, the District shall be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the effective date of termination and the City shall be released from any obligation to provide such further service pursuant to the Agreement as of the effective date of the termination.

3. Services to be Provided.

- 3.1 The City will provide the equivalent of seven (7) counselors from YFS to perform services at District facilities and/or through virtual platforms (i.e. remote video-conferencing) if such facilities are unavailable. The seven counselors are as follows:
 - four elementary school counselors,
 - one middle school counselor,
 - one high school counselor, and
 - one high school alcohol/drug specialist.

- 3.2 Each counselor will provide the District with 32 hours/week during the District’s 2020-21 academic year.
 - 3.3 The counselors shall provide services which include, but shall not be limited to the following: assistance with personal problems of students; individual and group counseling with students; family and parental counseling on a short term basis; delivering group curricula as requested by school staff and when appropriate; alcohol and other drug prevention/ intervention services, and consulting with the District staff concerning student behavior, including participation, when appropriate, on Student Study Teams (SST) and/or Building Guidance Teams (BGT).
 - 3.4 The City may also provide 20 hours per week of middle school mental health/prevention support services through unpaid clinical internship(s) under the direct supervision of a qualified, licensed YFS staff.
 - 3.5 Services will be provided in person, in classroom, and/or via virtual platforms (or a combination of the three) determined upon mutual consideration of the needs of the individual school, the District, the City and the personal health and safety needs of individual City staff (per City Human Resources policy and in special consideration of a possible regional pandemic response).
4. Cost Allocation. The District will pay \$60,000.00 of the total sum for the school-based counseling services during the term of the Agreement (2020-2021 school year), and the City will pay the difference of the total sum, as outlined below:

2020-2021 ESTIMATE (at 32 hours/week):			
	City Share	District Share	Total
4 Elementary School Counselors	233,352.00	60,000.00	293,352.00
1 Middle School Counselor	78,625.00	-	78,625.00
1 High School Drug/Alcohol Specialist	73,798.00	-	73,798.00
1 High School Counselor	70,877.00	-	70,877.00
Tuition & Registrations	2,400.00	-	2,400.00
	459,052.00	60,000.00	519,052.00

The Parties’ cost allocation and payment responsibilities for 2020-2021, and any subsequent academic years, will be reviewed and discussed during the term of the Agreement by both parties prior to the development and execution of any future Interlocal Agreements.

- 5. Service Level Changes. After January 1, 2021, the number of counseling professionals and corresponding services provided by the City, as set forth above in Section 3, are contingent on receipt of sufficient revenues by the City to pay for them. If sufficient revenues are not received in the sole judgment of the City, the City may, in lieu of terminating the Agreement pursuant to Section 2, modify the service levels provided in Section 3. If services levels are modified, allocation of total cost outstanding shall remain at the same ratio as shown in Section 4.
- 6. Premises/Equipment. The District will provide on-site space, equipment, email accounts, and supplies necessary to provide the counseling services, at no cost to the City. Each

school counselor must comply with the Acceptable Use Policy of the District.

7. Employees. All persons performing services hereunder shall be employees of the City and not the District. Nothing in this Agreement shall make any employee of the City an employee of the District, and vice versa, for any purpose, including but not limited to, withholding of taxes, payment of benefits, insurance, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded to either Parties' employee by virtue of their employment. At all times pertinent hereto, employees of the City are acting as City employees and employees of the District are acting as District employees.
8. Indemnification. The City will protect, defend, indemnify, and save harmless the District, its officers, employees, and agents from and against any costs, claims, actions, liabilities, judgments or awards and damages (including attorney's fees and costs) arising out of or in any way resulting from the negligent acts or omissions of the City, its officers, its employees, and agents in connection with this Agreement.

The District will protect, defend, indemnify, and save harmless the City, its officers, employees, and agents from and against any and all costs, claims, actions, liabilities, judgments or awards and damages (including attorney's fees and costs) arising out of or in any way resulting from the negligent acts or omissions of the District, its officers, employees and agents in connection with this Agreement. The District waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. The District's indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under workers compensation acts, disability benefit acts or any other benefits acts or programs.

These indemnification paragraphs shall survive the expiration or earlier termination of this Agreement.

9. Insurance.
 - 9.1 The City shall maintain in full force throughout the duration of this Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/\$2,000,000 aggregate for personal injury and property damage and name the District as an additional insured thereon. This requirement shall be deemed satisfied by evidence of the City's membership in a municipal self- insurance pool, including evidence of limits of coverage, exclusions, and limits of liability, satisfactory to the District.
 - 9.2 The District shall maintain in full force throughout the duration of this Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/\$2,000,000 aggregate for personal injury and property damage and name the City as an additional insured thereon. This requirement shall be deemed satisfied by evidence of the District's membership in a school district self-insurance pool, including evidence of limits of coverage, exclusions and limits of liability, satisfactory to the City.
10. Standards of Performance. All services performed hereunder by the City shall be performed diligently and competently and in accordance with professional standards. The District will formally meet with the City supervisor of counselors for an end-of-year review

on or before June 1 to discuss each counselor's performance. The end of year review will include input from the school principal and the assistant superintendent for learning services and will note annual successes and opportunities for growth and development for the ensuing year(s) should the District and City extend this agreement in successive years. The District will communicate to the City supervisor of the counselors at any time when performance issues arise during the school year. The City will consult with the District when improvement plans may be needed.

The City will provide an end-of-year review that includes a summary of the issues identified that affected a counselor's ability to perform his/her duties. The review will note practices and environments which led to a successful partnership as well as any opportunities for improvement in the partnership and collaboration for the ensuing year should the District and City extend this Agreement in successive years. The District will consult with the City when improvement plans may be needed.

11. Disclosure of Student Information. In the course of consulting with District staff concerning student behavior and participation on Student Study Teams (SST), Building Guidance Teams (BGT), and/or in other formal and informal venues, counselors providing services under this agreement may receive personally identifiable information from the education records of students. Such information remains subject to the control of the District. Counselors are authorized to use this information only for the purpose of consulting with District staff concerning student behavior and participation on Student Study Teams (SST), Building Guidance Teams (BGT), and/or in other formal and informal venues. Counselors may not disclose such information for any other purpose without the consent of the parent or eligible student.

At the conclusion of the academic year, the City will provide a summary document to the assistant superintendent of learning services that will include, but is not limited to the number of District students referred to outside counseling services, the number of students served by the YFS school counselors during the year (unduplicated), the number of student contacts such counselors had during the year (duplicated), and the broad themes for why students needed counselor support.

12. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. Any provisions of this Agreement that are declared invalid, void, or illegal by a court of competent jurisdiction shall in no way affect, impair, or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.
13. Assignability. The rights, duties, and obligations of either party to this Agreement may not be assigned to any third party without the prior written consent of the other party, which consent shall not be unreasonably withheld.
14. No Third-Party Rights. Except as expressly provided herein, nothing in this Agreement shall be construed to permit anyone other than the Parties hereto and their successors and assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of any nonperformance hereunder.
15. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties. Either party may request changes in the Agreement. Proposed changes that are mutually

agreed upon shall be incorporated by written amendment hereto.

- 16. Applicable Law, Venue, and Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event of any suit or other proceeding instituted to enforce any term of this Agreement, the venue shall be King County, Washington.
- 17. Filing Requirement. This Agreement shall be filed/posted in accordance with RCW 39.34.040.
- 18. Nondiscrimination. The City will not unlawfully discriminate against any employee or applicant for employment in connection with the services provided under this Agreement because of race, creed, color, sex, sexual orientation, age, national origin, marital status, or physical and motor handicap or other unlawful basis unless based upon bona fide occupational qualifications.

The City will ensure that all employees are treated without regard to the race, creed, color, sex, sexual orientation, age, national origin, marital status, and physical and other motor handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruiting advertisement, layoff, termination rates of pay or other forms of compensation, selection for training, including any apprenticeship.

- 19. Administration of Agreement. Each party shall designate an official responsible for the administration of this Agreement and negotiate with regard thereto.

In the case of the City, that official shall be the Director of the Department of Youth and Family Services or his/her designee.

In the case of the District, that official shall be the Assistant Superintendent of Learning Services or his/her designee. These officials shall communicate from time to time, as they deem necessary to discuss the services and performance of this Agreement and other relevant matters.

DATED this _____ day of _____, 2020.

CITY OF MERCER ISLAND

**MERCER ISLAND SCHOOL DISTRICT
NO. 400**

Jessi Bon, City Manager

Donna Colosky, Superintendent

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Bio Park, City Attorney

Erin Battersby, Attorney for District
Executive Director, Compliance & Legal
Affairs



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 5739
September 1, 2020
Consent Calendar**

AGENDA BILL INFORMATION

TITLE:	AB 5739: King County CARES Act Coronavirus Relief Fund Grant Acceptance	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Accept King County CARES Act Coronavirus Relief Fund grant and appropriate expenditures.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Manager	
STAFF:	Sarah Bluvas, EOC Small Business Liaison	
COUNCIL LIAISON:	Jake Jacobson	Craig Reynolds
EXHIBITS:	1. King County Coronavirus Relief Fund Subrecipient Grant Agreement	
CITY COUNCIL PRIORITY:	4. Provide emergency response services related to the COVID-19 Pandemic.	

AMOUNT OF EXPENDITURE	\$ 37,372
AMOUNT BUDGETED	\$ 0
APPROPRIATION REQUIRED	\$ 37,372

SUMMARY

The City of Mercer Island was awarded \$37,372 through King County’s Coronavirus Relief Fund Economic Development for Cities grant program. Acceptance of the grant will allow the City to allocate funds to continue supporting Mercer Island small businesses impacted during the COVID-19 pandemic.

BACKGROUND

On May 12, 2020, the King County Council passed Ordinance 19103, which allocated a total of \$1.95 million for a grant program to support King County cities’ economic relief and recovery activities in response to the COVID-19 public health emergency. This program intends to help alleviate the significant adverse economic impact of COVID-19 on incorporated municipalities in King County. Funds are being distributed to every city in King County (except the city of Seattle) based on per capita population, with a minimum grant of \$10,000.

King County seeks to achieve the following outcomes with this grant program:

1. Small businesses receive the support they need to overcome disruptions caused by COVID-19
2. Small businesses receive the support they need to safely reopen while adhering to local public health guidance and operating guidelines designed to protect employees and customers
3. Support underserved and other priority small businesses that have not been able to access other resources *(For the purpose of this grant program, King County considers historically underserved business owners to be those from Black, Native, people of color, immigrant, refugee, and LGBTQ communities.)*

4. Help small businesses restart quickly, recover from the impacts of the pandemic, and contribute to the overall economic stability of the community (i.e. revenues and jobs)

The grant funds must be used for cities' economic relief and development activities in response to COVID-19 and may fall into any of the following broad categories:

- City internal operational expenditures
- City direct expenditures for small businesses
- Passthrough grants to small businesses to reimburse the costs of business interruption caused by required closures

Examples of eligible expenditures provided by the County include:

- Materials to distribute to businesses to facilitate safe reopening (e.g. PPE, sanitation supplies, plexiglass barriers, floor markers, signage)
- Renting materials to increase outdoor seating capacity for restaurant businesses
- Marketing materials for businesses
- Technical assistance to businesses
- Consulting services (e.g. business surveys, training, city marketing materials)

The funds may only be used for costs that were not accounted for in the City's 2019-2020 biennial budget most recently approved as of March 27, 2020 and must comply with all federal requirements set for the Treasury's Coronavirus Relief Fund. Expenditures must be incurred in the period from March 1, 2020, through December 30, 2020, and must be recorded and documented using the generally accepted accounting principles and the provisions of Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

SUPPORTING MERCER ISLAND SMALL BUSINESSES

The City has coordinated a variety of efforts to support Mercer Island businesses since activating the EOC in March 2020. These efforts include:

- Launching a Let's Talk page for coronavirus resources for businesses
- Extending the B&O tax payment deadline
- Temporarily adjusting permitting processes to facilitate outdoor dining and outdoor fitness classes
- Ongoing outreach to and resource sharing for local businesses via the EOC Small Business Liaison role
- Securing grant funds through a Port of Seattle Economic Development Partnership to support small businesses

The King County grant provides the City additional resources to enhance existing support efforts as well as address needs that may arise in the small business community in the last quarter of 2020. Through consultation with the Mercer Island Chamber of Commerce, City Council liaisons, and local business owners/advocates, staff recommend allocating funds in the following ways:

- Continue small business marketing and promotion efforts
- Activate local business districts via signage, outdoor seating, and other efforts
- Enhance small business outreach efforts
- Support additional projects based on the business needs assessment survey

The \$37,372 grant-funded appropriation request is for the 2019-2020 biennium. Funds are expected to be expended from September to December 2020.

RECOMMENDATION

Authorize the City Manager to accept grant funding through King County's Coronavirus Relief Fund Economic Development for Cities program in the amount of \$37,372 and appropriate the full amount to support the City's small business support efforts through December 31, 2020.



King County Coronavirus Relief Fund Subrecipient Grant Agreement Economic Development for Cities

1. Purpose of Agreement. This Agreement is made by and between King County, a municipal corporation (“the County”) and Mercer Island, a City, (“Agreement”) to set forth the terms and conditions under which the County will provide Mercer Island (“Recipient”) with \$37,372 as a grant to be used to pay or reimburse necessary expenditures incurred due to the COVID-19 emergency during the period of March 1, 2020 through December 30, 2020.

2. Scope of Eligible Expenditures. Grant funds may only be used to pay or reimburse eligible expenditures as described in **Attachment A** (“Federal Terms”), consistent with Ordinance 19103 and as detailed in **Attachment C** (“Scope of Work”). No grant funds may be used to pay or reimburse costs reimbursed under any other federal or state program.

3. Recipient Responsibilities. The grant funds provided herein are an allocation of the coronavirus relief fund, as created in section 5001 of H.R. 748, of the CARES Act. Recipient agrees to administer the grant proceeds consistent with this Agreement, in accordance with the applicable provisions of the CARES Act, any future applicable guidance issued by the U.S. Department of Treasury and any other applicable federal provisions, as currently described at **Attachment A**. Recipient shall provide the County with certification **Attachment B** that grant funds were used for eligible expenditures.

4. Access to and Maintenance of Records. Recipient shall maintain internal controls, accounts and records, including personnel, property, financial, and programmatic records and other such records as may be deemed necessary by the County, consistent with Uniform Guidance as described in the Federal Terms and for a period of six (6) years to ensure proper accounting for all grant funds and compliance with this Agreement. Recipient acknowledges that records may be subject to disclosure under the Public Records Act, Chapter 42.56 RCW.

Recipient shall agree that the County or any duly authorized representatives, shall have, at any time and from time to time during normal business hours, access to any work product, books, documents, papers, and records of the Recipient which are related to this Agreement, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

5. Audit. If Recipient expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year including under this Agreement, Recipient shall procure and pay for a single audit or program-specific audit for that fiscal year. Upon completion of each audit, Recipient shall: (i) submit to the County the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor; (ii) submit to the County follow-up and developed corrective action plans for all audit findings. If Recipient is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year including this Agreement, Recipient shall notify the County they did not meet the single audit requirement. Recipient shall send all single audit documentation to city-chamber-cbo.grants@kingcounty.gov

6. Termination. Upon seven (7) days-notice, the County may terminate this agreement for convenience. Any unspent grant proceeds shall be immediately returned to the County.

7. Repayment of Funds. If Recipient has unspent grant proceeds on hand as of December 30, 2020, Recipient shall return all unspent grant proceeds to the County within ten (10) calendar days. If any funds provided to recipient were used in a manner that is not consistent or allowable as outlined in this agreement or in Attachment A “Fed Terms”, recipient shall return funds to County in the amount determined to be ineligible.

8. Conflict of Interest. Recipient designees, agents, members, officers, employees, consultants, and any other public official who exercises or who has exercised any functions or responsibilities with respect to the program during his or her tenure, or who is in a position to participate in a decision-making process or gain inside information with regard to the program, are barred from any interest, direct or indirect, in any grant or proceeds of the program, or benefit there from, which is part of this Agreement at any time during or after such person's tenure.

9. Governing Laws. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The venue of any suit or arbitration arising under this Agreement shall be in King County, Washington and if a lawsuit, in King County Superior Court.

10. Indemnification; Recoupment. Recipient shall, at its cost and expense, protect, defend, indemnify, and hold harmless the County, its directors, officers, employees, and agents, from and against any and all demands, liabilities, causes of action, costs and expenses (including attorneys' fees), claims, judgments, or awards of damages, arising out of or in any way resulting from the acts or omissions of Recipient, its directors, officers, employees, or agents, relating in any way to the Recipient's performance under the Agreement. These indemnification obligations shall survive the termination of the Agreement. Recipient further agrees that it is financially responsible for and will repay the County any and all indicated amounts following an audit exception which occurs due to Recipient's failure, for any reason, to comply with the terms of this Agreement.

COUNTY

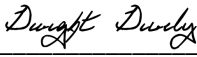
CITY

Name: Dwight D Dively

Name: Jessi Bon

Title: Director, King County Office of Performance, Strategy, and Budget

Title: City Manager

Signature: 

Signature: _____

Date: 7/21/2020

Date: _____

ATTACHMENTS

- A – Federal Terms
- B – Certification
- C – Scope of Work

King County Coronavirus Relief Fund Subrecipient Grant Agreement Economic Development for Cities

ATTACHMENT A – Federal Terms & Conditions

PROVISIONS REQUIRED BY LAW DEEMED INSERTED.

Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the Agreement shall be physically amended to makes such insertion or corrections.

CORONAVIRUS RELIEF FUND, SECTION 5001 CARES ACT

The funds provided to Recipient are available under section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

The Recipient certifies that the funds under this Agreement shall only be used to cover costs that:

1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. [For governmental entities only] Were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if:
 - a. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget;
OR
 - b. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Funds may NOT be used by governmental entities to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use for governmental entities. The funds may only be used for **operating** expenditures.

1. ELIGIBLE EXPENSES. There are six primary eligible cost categories. These cost categories and their eligible cost sub-categories are as follows:

- a. Medical expenses such as:
 - a. COVID-19 related expenses of public hospitals, clinic, and similar facilities.
 - b. Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - c. Costs of providing COVID-19 testing, including serological testing.
 - d. Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - e. Expenses for establishing and operating public telemedicine capabilities for COVID-19 related treatment.

- b. Public health expenses such as:
 - a. Expenses for communication and enforcement by State, territorial, local and Tribal governments of public health order related to COVID-19.
 - b. Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - c. Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - d. Expenses for technological assistance to local authorities or other entities on mitigation of COVID-19 related threats to public health and safety.
 - e. Expenses for public safety measures undertaken in response to COVID-19.
 - f. Expenses for quarantining individuals.
- c. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- d. Expenses of actions to facilitate compliance with COVID-19 related public health measures such as:
 - a. Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - b. Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - c. Expense to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - d. Expenses of providing paid sick and paid family medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - e. COVID-19 related expenses of maintaining state prisons and county jails, including as it relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - f. Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
- e. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - a. Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. [Note, this is the eligible expenditure subcategory applicable to this grant].
 - b. Expenditures related to a state, territorial, local or Tribal government payroll support system for those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
 - c. Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
- f. Any other COVID-19 related expenses reasonably necessary to the function of government that satisfy the fund's eligibility criteria.

2. INELIGIBLE EXPENSES.

Non-allowable expenditures include, but are not limited to:

- a. Expenses for the state share of Medicaid.
- b. Damages covered by insurance.

- c. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- d. Expenses that have been or will be reimbursed under any federal program.
- e. Reimbursement to donor for donated items or services.
- f. Workforce bonuses other than hazard pay or overtime.
- g. Severance pay.
- h. Legal settlements.
- i. Expenditures prohibited under the Health and Human Services requirements outlined in the next section.

PUBLICATIONS. Any publications (written, visual or sound) but excluding press releases, newsletters, and issue analyses, issued by Recipient describing programs or projects funded in whole or in part with federal funds under this Agreement, shall contain the following statements:

“This project was supported by a grant awarded by the US Department of the Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the US Department of the Treasury.”

UNIFORM GUIDANCE. The recipient understands that use of funds pursuant to this agreement must adhere to official federal guidance issued, or issued in the future, on what constitutes an eligible expenditure and to all requirements applicable to CRF funds including applicable requirements of 2 C.F.R. §200 (specifically including 2 C.F.R. §200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements).

Subaward Language and Federal Clauses Federal Award Identification (reference 2 CFR 200.330-332)

Pursuant to 2 CFR 200.330, an agency **must decide to make a determination whether the scope of work falls under a Subrecipient or Contractor relationship.**

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) *Subrecipients.* A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;

(3) Has responsibility for programmatic decision making;

(4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and

(5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) *Contractors.* A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

(1) Provides the goods and services within normal business operations;

(2) Provides similar goods or services to many different purchasers;

(3) Normally operates in a competitive environment;

(4) Provides goods or services that are ancillary to the operation of the Federal program; and

(5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) *Use of judgment in making determination.* In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

If the agency determines that the scope of work falls under a subrecipient relationship, all of the information below must be included in any subaward agreement:

(i) Subrecipient agency name (which must match the name associated with its unique entity identifier);	
(ii) Subrecipient agency's unique entity identifier (i.e. DUNS);	
(iii) Federal Award Identification Number (FAIN) or Federal;	TBD
(iv) Federal Award Date;	<i>March 1, 2020 through December 30, 2020</i>
(v) Subrecipient agency Period of Performance Start and End Date;	<i>March 1, 2020 through December 30, 2020</i>
(vi) Amount of Federal Funds Obligated to the subrecipient agency by this action;	
(vii) Total Amount of Federal Funds Obligated to the subrecipient agency;	
(viii) Total Amount of the Federal Award committed to the subrecipient;	

(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)	
(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official	
(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;	21.019 - Coronavirus Relief Fund;
(xii) Identification of whether the award is R&D; and	No
(xiii) Indirect cost rate for the Federal Award	N/A – Not eligible or billable
Is the agency a subrecipient for the purposes of this agreement?	Yes

The subawardee must be in compliance with the below and must note the required information in their subaward agreements:

- (1) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and
- (2) Appropriate terms and conditions concerning closeout of the subaward.
- (3) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;
- (4) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
- (5) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
 - (a) The subrecipient's prior experience with the same or similar subawards;
 - (b) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (c) Whether the subrecipient has new personnel or new or substantially changed systems; and
 - (d) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (6) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.
- (7) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (a) Reviewing financial and performance reports required by the pass-through entity.
 - (b) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (c) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.
- (8) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (a) Providing subrecipients with training and technical assistance on program-related matters; and
 - (b) Performing on-site reviews of the subrecipient's program operations;
 - (c) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.
- (9) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.
- (10) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- (11) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

HEALTH AND HUMAN SERVICES

As applicable (specifically including to any expenditure funded with coronavirus relief funds or public health funds), the Contractor or Recipient (herein each referred to as "Contractor") shall adhere to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS awards as codified in 45 CFR Part 75 effective December 26, 2014, the HHS Grants Policy Statement, and the Contract Provisions below.

APPENDIX II TO 45 CFR 75—CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS

In addition to other provisions required by the HHS agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

The following statutory provisions also apply:

General Provisions in FY 2020 Consolidated Appropriation

(PL 116-94, December 20, 2019, 133 Stat 2534 – Division A, Title V)

1. EXECUTIVE PAY

The Contractor agrees that none of the funds paid through this contract shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.

(Sec. 202)

2. GUN CONTROL ADVOCACY

The Contractor agrees that none of the funds paid through this contract may be used, in whole or in part, to advocate or promote gun control.

(Sec. 210)

3. LOBBYING

(a) The Contractor agrees that none of the funds paid through this contract shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation to the Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government, except in presentation to the executive branch of any State or local government itself.

(b) The Contractor agrees that none of the funds paid through this contract shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local or tribal government in policymaking and administrative processes within the executive branch of that government.

(c) The prohibitions in subsections (a) and (b) shall include any activity to advocate or promote any proposed, pending or future Federal, State or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale or marketing, including but not limited to the advocacy or promotion of gun control.

(Sec. 503)

4. ABORTIONS

(a) The Contractor agrees that none of the funds paid through this contract, and none of the funds in any trust fund paid through this contract, shall be expended for any abortion.

(b) The Contractor agrees that none of the funds paid through this contract, and none of the funds in any trust fund paid through this contract, shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

(Sec. 506)

5. LIMITATIONS ON ABORTION FUNDING PROHIBITIONS

(a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds).

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).

(d)(1) The Contractor agrees it will not subject any institutional or individual health care entity to discrimination on the basis that the health care entity does not provide, pay for, provide coverage of, or refer for abortions.

(2) In this subsection, the term "health care entity" includes an individual physician or other health care professional, a hospital, a provider-sponsored organization, a health maintenance organization, a health insurance plan, or any other kind of health care facility, organization, or plan.

(Sec. 507)

6. EMBRYO RESEARCH

(a) The Contractor agrees that none of the funds paid through this contract may be used for—

(1) the creation of a human embryo or embryos for research purposes; or

(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.204(b) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).

(b) For purposes of this section, the term "human embryo or embryos" includes any organism, not protected as a human subject under 45 CFR 46 as of December 20, 2019, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

(Sec. 508)

7. PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES

(a) The Contractor agrees that none of the funds paid through this contract may be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act except for normal and recognized executive-congressional communications.

(b) The limitation in subsection (a) shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

(Sec. 509)

8. DISTRIBUTION OF INTENTIONALLY FALSE INFORMATION

The Contractor agrees that none of the funds paid through this contract may be used to disseminate information that is deliberately false or misleading.

(Sec. 515(b))

9. PORNOGRAPHY

(a) The Contractor agrees that none of the funds paid through this contract may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

(Sec. 520)

10. ACORN OR ITS AFFILIATES OR SUBSIDIARIES

The Contractor agrees that none of the funds paid through this contract may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, allied organizations, or successors.

(Sec. 521)

11. NEEDLE EXCHANGE

The Contractor agrees that none of the funds paid through this contract shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug: *Provided*, That such limitation does not apply to the use of funds for elements of a program other than making such purchases if the relevant State or local health department, in consultation with the Centers for Disease Control and Prevention, determines that the State or local jurisdiction, as applicable, is experiencing, or is at risk for, a significant increase in hepatitis infections or an HIV outbreak due to injection drug use, and such program is operating in accordance with State and local law.

(Sec. 527)

GOVERNMENT-WIDE GENERAL PROVISIONS

(PL 116-93, December 20, 2019, 133 Stat 2317 – Division C, Title VII)

12. PROPAGANDA

The Contractor agrees that none of the funds paid through this contract shall be used directly or indirectly, including by subcontractors, for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

(Sec. 718)

13. PRIVACY ACT

The Contractor agrees that none of the funds paid through this contract may be used in contravention of section 552a of title 5, United States Code (popularly known as the Privacy Act), and regulations implementing that section.

(Sec. 732)

14. CONFIDENTIALITY AGREEMENTS

(a) The Contractor agrees that it will not require employees or subcontractors seeking to report fraud, waste, or abuse to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or subcontractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.
 (b) The limitation in subsection (a) shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(Sec. 742)

15. NONDISCLOSURE AGREEMENTS

These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.

(Sec. 743)

16. UNPAID FEDERAL TAX LIABILITY

The Contractor agrees that it does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless a Federal agency has considered suspension or debarment of the Contractor and has made a determination that this further action is not necessary to protect the interests of the Government.

The Contractor agrees it will not subcontract with any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

(Sec. 744)

17. CRIMINAL FELONY LIMITATION

The Contractor agrees that it was not convicted of a felony criminal violation under any Federal law within the preceding 24 months, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

The Contractor agrees it will not subcontract with any that was convicted of a felony criminal violation under any Federal law within the preceding 24 months, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

(Sec. 745)

OTHER APPROPRIATION PROVISIONS

18. CHIMPANZEES

The Contractor agrees that none of the funds paid through this contract shall be used on any project that entails the capture or procurement of chimpanzees obtained from the wild.

(42 U.S.C. 289d note)

Other Statutory Provisions

19. TRAFFICKING IN PERSONS

This contract is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104)

(a) The Contractor, Contractor's employees, and any subcontractors or subcontractors' employees may not:

- (1) Engage in severe forms of trafficking in persons during the period of time that the contract that this contract is in effect;
- (2) Procure a commercial sex act during the period of time that this contract is in effect; or
- (3) Use forced labor in the performance of this contract or subcontracts.

(b) Violations of the prohibitions in paragraph (a) include –

- (1) Those committed by the Contractor; or

(2) Those committed by the Contractor's employee or a subcontractor through conduct that is either -

- i. Associated with performance of this contract; or
- ii. Imputed to the Contractor or subcontractor using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 376.

(c) The Contractor must inform King County immediately of any information it receives from any source alleging a violation of paragraph (a).

(d) Definitions. For purposes of this contract:

(1) "Employee" means either:

- i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
- ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

(2) "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(3) "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

(Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104))

20. WHISTLEBLOWER PROTECTIONS

The Contractor is hereby given notice that the 48 CFR section 3.908, implementing section 828, entitled "Pilot Program for Enhancement of Contractor Employee Whistleblower protections," of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013 (Pub. L. 112-239, enacted January 2, 2013) applies to this contract.

21. HUMAN SUBJECTS PROTECTIONS

If any activities under this contract will involve human subjects in any research activities, the Contractor must provide satisfactory assurance of compliance with the participant protection requirement of the HHS/OASH Office of Human Research Protection (OHRP) prior to implementation of those research components. This assurance should be submitted to the OHRP in accordance with the appropriate regulations.

22. FRAUD, ABUSE AND WASTE

The HHS Inspector General accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement in Department of Health and Human Services' programs.

King County Coronavirus Relief Fund Subrecipient Grant Agreement Economic Development for Cities

ATTACHMENT B – Certification

I, Jessi Bon, am the City Manager of the City of Mercer Island, and I certify that:

1. I have authority and approval from the governing body on behalf of City of Mercer Island to accept proceeds from the County per the Agreement for COVID-19 Relief Funds by and between the County and City of Mercer Island from the County’s allocation of the Coronavirus Relief Fund as created by section 5001 of H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for eligible expenditures included on the corresponding invoice voucher for report period [March 1, 2020 through December 30, 2020].
2. I understand that as additional federal guidance becomes available, a contract amendment to the agreement between the County and City of Mercer Island may become necessary and agree to execute necessary amendments.
3. I understand the County will rely on this certification as a material representation in processing this reimbursement.
4. I certify the use of funds submitted for reimbursement from the Coronavirus Relief Fund under this contract were used only to cover those costs that:
 - a. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
 - b. Were not accounted for in the budget most recently approved as of March 27, 2020 for [THIS CERTIFICATION REQUIRED ONLY OF LOCAL GOVERNMENT];
 - c. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
5. I understand the use of funds pursuant to this certification must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. We have reviewed the guidance established by U.S. Department of the Treasury as described in Attachment A to the Agreement and certify costs meet the required guidance. Any funds expended by City of Mercer Island or its subcontractor or subrecipients in a manner that does not adhere to official federal guidance shall be returned to the County.
6. I understand the City of Mercer Island receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 Retention requirements for records of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Such documentation shall be produced to the County upon request and may be subject to audit by the State Auditor.
7. I understand any funds provided pursuant to this certification cannot be used for expenditures for which the City of Mercer Island has received any other emergency COVID-19 supplemental funding whether state, federal or private in nature, for that same expense.

I certify that I have read the above certification and my statements contained herein are true and correct to the best of my knowledge.

Jessi Bon
Printed Name

Signature

City Manager
Title

Date

**King County Coronavirus Relief Fund
Subrecipient Grant Agreement
Economic Development Relief for Cities**

ATTACHMENT C - PROGRAM SCOPE OF WORK

1. Introduction

On May 12, 2020, King County Council passed Ordinance 19103, which allocated a total of \$1.95 million for a grant program to support King County cities' economic relief and recovery activities in response to the COVID-19 public health emergency. This grant program is intended to help alleviate the significant adverse economic impact of COVID-19 on incorporated municipalities of King County. The funds will be distributed to every city of King County, except for the city of Seattle, based on per capita population with a minimum grant of \$10,000.

Note: With the grant minimum set at \$10,000, some of the calculated city allocations will be adjusted slightly to keep the total programmatic allocation at \$1.95 million.

2. Program Objectives/Outcomes

King County is seeking to achieve the following outcomes with this grant program:

- a. Small businesses receive the support they need to overcome disruptions caused by COVID-19
- b. Small businesses receive the support they need to safely re-opening while adhering to local public health guidance and operating guidelines designed to protect employees and customers
- c. Support underserved and other priority small businesses that have not been able to access other resources*
- d. Help small businesses restart quickly, recover from the impacts of the pandemic, and contribute to the overall economic stability of the community (i.e., revenues and jobs)

While King County empowers the subrecipient to define 'small business', cities should prioritize grant funds to businesses that meet a reasonable standard of 'small' and have experienced acute business interruption or require immediate assistance to adapt their services to adhere to public health guidance and considerations.

** For the purposes of this grant program, King County considers historically underserved business owners to be those from Black, Native, people of color, immigrant, refugee, and LGBTQ communities.*

3. Eligible Expenditures

The grant funds must be used for cities' economic relief and development activities in response to COVID-19. The funds should only be used for costs that were not accounted for in the city's 2019 fiscal year budget and must comply with all federal requirements set for the Treasury's Coronavirus Relief Fund (detailed in Attachment A "Federal Terms"). Expenditures must be incurred in the period from March 1, 2020, through December 30, 2020, and must be recorded and documented using the generally accepted accounting principles and the provisions of Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements.

Expenditures may fall in any of the following broad categories:

- City internal operational expenditures
- City direct expenditures for small businesses
- Passthrough grants to small businesses to reimburse the costs of business interruption caused by required closures.

The following list provides some examples of eligible expenditures:

- Materials to give out to businesses to facilitate safe opening (e.g., PPE, sanitation supplies, plexiglass barriers, markers, signage)
- Rental of materials to increase the outdoor seating capacity for restaurant businesses
- Marketing materials for businesses
- Passthrough grants to businesses to reimburse business interruption costs not previously satisfied by any other funding source
- Technical assistance to businesses (consulting services)
- Temporary staff hired to engage with businesses
- Consulting Services (business surveys, training, city marketing materials, etc.)

4. Grant Documentation & Reporting

EXHIBIT #	Form/Report	Short Description	Interval
1	Pre-award: risk assessment questionnaire	Short survey to understand City's administrative capacity	With the intake form preceding agreement signing
2	Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form	<ul style="list-style-type: none"> • Only for entities receiving grant funds in excess of \$25,000. • King County will use this information to report to www.FSRS.gov within 30 days of the award. • Template attached. 	With the signed agreement <i>(if the grant amount is in excess of \$25,000)</i>
3	Bi-monthly performance report	Summary expenditure report by eligible activity	Bi-monthly following agreement signing
4	An expenditure report detailing all expenditures up to the grant amount	A standard report generated from the city's official accounting system or sufficient documentation to demonstrate grant expenditures, payee, and date of transaction	Within 30 days of final payment utilizing grant funds
5	Direct Grant & Beneficiaries Report	A standard report that outlines all businesses who received a <i>direct</i> grant payment from the city, detailing business information and key demographic indicators	Within 30 days of final payment utilizing grant funds

Certificate Of Completion

Envelope Id: B031C182067948688A49D2B879BC7709	Status: Sent
Subject: Please DocuSign: King County Coronavirus Relief Fund Subrecipient Grant Agreement	
Source Envelope:	
Document Pages: 16	Signatures: 0
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Micki Rogers
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	401 5th Ave
	Suite 100
	Seattle, WA 98104
	mirogers@kingcounty.gov
	IP Address: 198.49.222.20

Record Tracking

Status: Original	Holder: Micki Rogers	Location: DocuSign
7/21/2020 9:04:35 AM	mirogers@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: King County General (ITD)	Location: DocuSign

Signer Events

Signature

Timestamp

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Sarah Bluvas
sarah.bluvas@mercergov.org
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Accepted: 8/24/2020 6:08:36 AM
ID: f051e3ca-28f6-46dc-9bf4-6fc71fc7155f

Sent: 7/21/2020 9:07:52 AM
Viewed: 8/24/2020 6:08:36 AM

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	7/21/2020 9:07:52 AM
---------------	------------------	----------------------

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Carahsoft OBO King County ITD (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Carahsoft OBO King County ITD:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: bob.johnson@kingcounty.gov

To advise Carahsoft OBO King County ITD of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at bob.johnson@kingcounty.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from Carahsoft OBO King County ITD

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to bob.johnson@kingcounty.gov and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Carahsoft OBO King County ITD

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to bob.johnson@kingcounty.gov and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum

Enabled Security Settings:	Allow per session cookies
----------------------------	---------------------------

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the ‘I agree’ button below.

By checking the ‘I agree’ box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Carahsoft OBO King County ITD as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Carahsoft OBO King County ITD during the course of my relationship with you.



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 5744
September 1, 2020
Consent Calendar**

AGENDA BILL INFORMATION

TITLE:	AB 5744: National Recovery Month Proclamation No. 256	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Proclaim September 2020 as National Recovery Month in Mercer Island.	<input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Youth and Family Services
STAFF:	Derek Franklin, Senior Programs Manager and Clinical Supervisor
COUNCIL LIAISON:	Benson Wong
EXHIBITS:	1. Recovery Month Proclamation No. 256
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

National Recovery Month is celebrated in the U.S. each September to promote access to recovery, celebrate those participating in services, and educate communities about overcoming the barriers of stigma and discrimination. Recovery Month focusses specifically on recovery from mental health and/or substance use disorders and advances the broader messages that behavioral health is essential to overall health and wellness and that prevention works, treatment is effective, and people do recover.

The impact of mental and/or substance use disorders is apparent in our local community, and an estimated 400,000 people in King County are affected by these conditions. Through **Recovery Month**, people become more aware and able to recognize the signs of mental and substance use disorders, which can lead more people into needed treatment and recovery support services. Managing the effects of these conditions can help people achieve healthy lifestyles, both physically and emotionally.

The City’s Department of Youth and Family Services (YFS) provides community-wide substance abuse prevention and mental health promotion services via the Healthy Youth Initiative. YFS outpatient mental health counselors and school-based counselors provide mental health treatment and substance abuse intervention and referral. We encourage Mercer Island residents seeking services or information to connect with the Youth and Family and Family Services Department at 206-275-7611 or www.mercerisland.gov/yfs.

RECOMMENDATION

Mayor presents the proclamation proclaiming September 2020 as National Recovery Month.



The City of Mercer Island, Washington

Proclamation

2020 NATIONAL RECOVERY MONTH

WHEREAS, behavioral health is an essential part of one’s overall health and wellness; and

WHEREAS, prevention of mental and substance use disorders works, treatment is effective, and recovery is possible; and

WHEREAS, recovery is a process and that people recover in our local area and around the nation; and

WHEREAS, preventing and overcoming mental and substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

WHEREAS, an estimated 400,000 people in King County are affected by these conditions; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, we recognize four dimensions of recovery from mental health and substance use disorders: health, home, purpose, and community; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), King County, and the City of Mercer Island’s Youth and Family Services Department (MIYFS) invite all Mercer Island residents to participate in *National Recovery Month*.

NOW, THEREFORE, I, Mayor Benson Wong, do hereby proclaim the month of September 2020 as

NATIONAL RECOVERY MONTH

and call upon the people of Mercer Island to observe this month with appropriate programs, activities, and ceremonies to support King County’s Recovery Month theme, *“Rising Above it All: Wellness, Resilience & Recovery.”*

SIGNED this 1st day of September 2020.

Benson Wong, Mayor



CITY OF MERCER ISLAND
YOUTH & FAMILY SERVICES



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 5745
September 1, 2020
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 5745: Zayo Group, LLC. Franchise Agreement (Ord. No. 20-16; 2nd Reading and Adoption)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Adopt Ordinance No. 20-16, approving a franchise agreement with Zayo Group, LLC.	<input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Patrick Yamashita, City Engineer/Interim Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 20-16 – Franchise Agreement with Zayo Group, LLC.
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

EXECUTIVE SUMMARY

On August 4, 2020, the City Council conducted its first reading of an ordinance that would authorize a franchise agreement with Zayo, which allows entrance and use of the right-of-way for wireline deployments as allowed by [RCW 35A.47.040](#). Zayo will still need to apply for and receive all necessary permits for all installations; the franchise is only the first step. Following City Council review, Council requested that staff bring back the ordinance for a second reading on September 1, 2020.

BACKGROUND

The City of Mercer Island was approached by Zayo, a fiber optic company, approximately one year ago about obtaining a franchise agreement that would generally allow Zayo the right to access the City’s rights-of-way for the purpose of installing new wireline facilities (fiber optic); however, the City did not receive an application until January 2020. Following some revisions to the application, the City deemed the application complete in early February 2020 and began working on the draft franchise agreement.

Staff worked with Daniel Kenny (Ogden Murphy Wallace, PLLC) to negotiate this agreement with Zayo on behalf of the City. The draft agreement was prepared by Mr. Kenny, vetted by staff (Community Planning and Development, Public Works, and City Attorney), and approved by Zayo.

FIRST READING DISCUSSION AND CHANGES TO THE FRANCHISE AGREEMENT

The City Council held a first reading of Ordinance No. 20-16 on August 4, 2020 (see [AB 5720](#)). The current draft agreement includes minor revisions that were requested in the following sections:

- **Section 7.5** – the term “grantee” has been revised to state “franchisee.”
- **Section 18.3(f)** - the term “grantee” has been revised to state “franchisee.”
- **Section 19.1** – The final sentence was revised to clarify that franchisee is responsible for all costs associated with removing its facilities and restoring the right-of-way.

“Franchisee shall be solely responsible for all costs associated with removing its Facilities and restoring the Right-of-Way.”

A few questions were asked following the first reading, but none resulted in additional revisions to the draft agreement.

The updated draft franchise agreement is provided for City Council consideration as Exhibit 1.

RECOMMENDATION

Adopt Ordinance No. 20-16, approving a franchise agreement with Zayo Group, LLC.

CITY OF MERCER ISLAND
ORDINANCE NO. 20-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, GRANTING TO ZAYO GROUP, LLC, AND ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND NONEXCLUSIVE FRANCHISE FOR TEN (10) YEARS, TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, AND REPAIR A TELECOMMUNICATIONS NETWORK, IN, ACROSS, OVER, ALONG, UNDER, THROUGH, AND BELOW CERTAIN DESIGNATED PUBLIC RIGHTS-OF-WAY OF THE CITY OF MERCER ISLAND, WASHINGTON.

RECITALS

1. Zayo Group, LLC (“Franchisee”) has requested that the city council grant it a nonexclusive franchise, and

2. The city council has the authority to grant franchises for the use of its streets and other public properties pursuant to RCW 35A.47.040.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

ORDINANCE

Section 1. Franchise Granted.

1.1 Pursuant to RCW 35A.47.040, the city of Mercer Island, a Washington municipal corporation (the “City”), grants to Franchisee, its successors, legal representatives and assigns, subject to the terms and conditions set forth below, a Franchise for a period of ten (10) years, beginning on the effective date of this ordinance, set forth in Section 40.

1.2 This Franchise grants Franchisee the right, privilege, and authority to construct, operate, maintain, replace, acquire, sell, lease, and use all necessary Facilities for a telecommunications network in, under, on, across, over, through, along or below the public Rights-of-Ways located in the City, including such additional areas as may be subsequently

{DPK2091338.DOCX;15/13045.000007/ }

included in the corporate limits of the City during the term of this Franchise (the “Franchise Area”), as approved pursuant to City permits issued pursuant to Section 8.2. The phrase “Rights-of-Way” (singular “Right-of-Way”) as used in this Franchise, means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, lane, public way, drive, circle, pathways, spaces, or other public right of way which, under City ordinances or applicable laws, the City has authority to grant franchises, licenses, or leases for use thereof, or has regulatory authority thereover and only to the extent such Rights-of-Way are opened. Rights-of-Way for the purpose of this Franchise do not include buildings, other City-owned physical facilities, parks, poles, conduits, fixtures, real property or property rights owned by the City not reserved for transportation purposes, or similar facilities or property owned by or leased to the City, including, by way of example and not limitation, structures in the Rights-of-Way such as utility poles, light poles and bridges. “Facilities” as used in this Franchise means one or more elements of Franchisee’s telecommunications network, with all necessary cables, wires, conduits, ducts, pedestals, electronics, and other necessary appurtenances; provided that new utility poles for overhead wires or cabling are specifically excluded. Equipment enclosures with air conditioning or other noise generating equipment are also excluded from “Facilities,” to the extent such equipment is located in zoned residential areas of the City. For the purposes of this franchise the term Facilities excludes “microcell” facilities, “minor facilities,” “small cell facilities,” all as defined by RCW 80.36.375, and “macrocell” facilities, including towers and new base stations and other similar facilities used for the provision of “personal wireless services” as defined by RCW 80.36.375. Collectively, all such facilities may be referred to herein as “Personal Wireless Facilities.”

Section 2. Authority Limited to Occupation of Public Rights-of-Way.

2.1 The authority granted by this Franchise is a limited, non-exclusive authorization to occupy and use the City’s Rights-of-Way. Franchisee represents that it expects to provide the following services within the City: fiber optic cable network (the “Services”). No right to install any facility, infrastructure, wires, lines, cables, or other equipment, on any City property other than a Right-of-Way, or upon private property without the owner’s consent,

{DPK2091338.DOCX;15/13045.000007/ }

or upon any City, public or privately owned utility poles or conduits is granted herein. Nothing contained within this Franchise shall be construed to grant or convey any right, title, or interest in the Rights-of-Way of the City to Franchisee other than for the purpose of providing the Services, nor to subordinate the primary use of the Right-of-Way as a public thoroughfare. A more detailed description of Franchisee's initial telecommunications system and Services is described in Exhibit A. If Franchisee desires to expand the Services provided within the City, it shall provide written notification of the addition of such services prior to the addition of the service and may only expand services after applying for and receiving all permits required by the City Code; provided, however, that Franchisee may not offer Cable Services as defined in 47 U.S.C. § 522(6) or deploy Personal Wireless Facilities, without obtaining a new franchise or an amendment to this Franchise.

2.2 As described in Section 8, construction is not authorized without the appropriate permits, leases, easements, or approvals. This Franchise does not and shall not convey any right to Franchisee to install its Facilities on, under, over, across, or to otherwise use City owned or leased properties of any kind outside of the incorporated area of the City or to install Facilities on, under, over, across, or otherwise use any City owned or leased property other than the City's Rights-of-Way. This Franchise does not convey any right to Franchisee to install its Facilities on, under, over, or across any facility or structure owned by a third-party without such written approval of the third-party. Further this Franchise does not convey any right to continue in any streets, avenues, alleys, roads or public places which are eliminated from the City limits by reason of subsequent disincorporation or reduction of City limits or which are vacated consistent with Section 31. No substantive expansions, additions to, or modifications or relocation of any of the Facilities shall be permitted without first having received appropriate permits from the City pursuant to Section 8.2. As of the effective date of this Franchise, Franchisee has no owned Facilities located in the City's Rights-of-Way.

2.3 Franchisee shall have the right, without prior City approval, to offer or provide capacity or bandwidth to its customers and/or lessees consistent with this Franchise provided:

{DPK2091338.DOCX;15/13045.000007/ }

(a) Franchisee at all times retains exclusive control over its telecommunications system, Facilities and Services and remains responsible for constructing, installing, and maintaining its Facilities pursuant to the terms and conditions of this Franchise;

(b) Franchisee may not grant rights to any customer or lessee that are greater than any rights Franchisee has pursuant to this Franchise;

(c) Such customer or lessee shall not be construed to be a third-party beneficiary under this Franchise; and

(d) No such customer or lessee may use the telecommunications system or Services for any purpose not authorized by the City.

Section 3. Non-Exclusive Franchise Grant. This Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below, or across any Rights-of-Way. This Franchise shall in no way prevent or prohibit the City from using any Rights-of-Way or affect its jurisdiction over any Rights-of-Way or any part of Right-of-Way, and the City shall retain power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of Right-of-Way as the City may deem fit, including the dedication, establishment, maintenance, and improvement of all new Rights-of-Way, thoroughfares, and other public properties of every type and description.

Section 4. Location of Telecommunications Facilities.

4.1 Franchisee is maintaining a telecommunications network consisting of Facilities within the City. Franchisee may locate its Facilities anywhere within the Franchise Area consistent with the City's code and adopted standards for design or construction and subject to the City's applicable permit requirements. Franchisee shall not be required to amend this Franchise to construct or acquire Facilities approved in this Franchise within the Franchise Area.

4.2 To the extent that any Rights-of-Way within the Franchise Area are part of the state highway system ("State Highways") and are governed by the provisions of Chapter

{DPK2091338.DOCX;15/13045.000007/ }

47.24 RCW and applicable Washington State Department of Transportation (WSDOT) regulations, Franchisee shall comply fully with said requirements in addition to local ordinances and other applicable regulations. Without limitation of the foregoing, Franchisee specifically agrees that:

(a) any pavement trenching and restoration performed by Franchisee within State Highways shall meet or exceed applicable WSDOT requirements;

(b) any portion of a State Highway damaged or injured by Franchisee shall be restored, repaired and/or replaced by Franchisee to a condition that meets or exceeds applicable WSDOT requirements; and

(c) without prejudice to any right or privilege of the City, WSDOT is authorized to enforce in an action brought in the name of the State of Washington any condition of this Franchise with respect to any portion of a State Highway.

Section 5. Relocation of Facilities.

5.1 Franchisee agrees and covenants to protect, support, temporarily disconnect, relocate, or remove from any Rights-of-Way any of its Facilities when reasonably required by the City by reason of:

- (a) Traffic conditions or public safety,
- (b) Dedications of new Rights-of-Way and the establishment and improvement thereof,
- (c) Widening and improvement of existing Rights-of-Way,
- (d) Street vacations,
- (e) Freeway construction,
- (f) Change or establishment of street grade, or
- (g) Construction of any public improvement or structure, including municipal utilities, by any governmental agency acting in a governmental capacity or as otherwise necessary for the operations of the City or other governmental entity.

5.2 Provided that Franchisee shall in all such cases identified in Section 5.1 have the privilege to temporarily bypass in the authorized portion of the same Rights-of-Way upon approval by the City, which approval shall not unreasonably be withheld or delayed, any

{DPK2091338.DOCX;15/13045.000007/ }

Facilities required to be temporarily disconnected or removed. If such bypass is approved by the City, it must be completed pursuant to any and all necessary permits.

5.3 Except as otherwise provided by law, the costs and expenses associated with relocations and other such actions ordered pursuant to Section 5.1 shall be borne by Franchisee. Nothing contained within this Franchise shall limit Franchisee's ability to seek reimbursement for relocation costs when permitted by RCW 35.99.060.

5.4 Upon request of the City and in order to facilitate the design of any of the project categories identified in Section 5.1(a) through (g), Franchisee agrees, at its sole cost and expense, to locate, and if reasonably determined necessary by the City, to excavate and expose its Facilities for inspection so that the Facilities' location may be taken into account in the improvement design. The decision as to whether any Facilities need to be relocated in order to accommodate the City's improvements shall be made by the City upon review of the location and construction of Franchisee's Facilities. The City shall provide Franchisee at least fourteen (14) days' written notice prior to any excavation or exposure of Facilities.

5.5 If the City determines that the project necessitates the relocation of Franchisee's existing Facilities, the City shall:

(a) At least ninety (90) days prior to the date on which the City needs the relocation to be complete, provide Franchisee with written notice requiring such relocation; provided, however, that in the event of an emergency situation, defined for purposes of this Franchise as a condition posing an imminent threat to property, life, health, or safety of any person or entity, the City shall give Franchisee written notice as soon as practicable; and

(b) At least ninety (90) days prior to the date on which the City needs the relocation to be complete, provide Franchisee with copies of pertinent portions of the plans for the improvement project so that Franchisee may relocate its Facilities in other City Rights-of-Way in order to accommodate such improvement project; and

(c) After receipt of such notice and such plans, Franchisee shall complete relocation of its Facilities at least ten (10) days prior to commencement of the City's project

{DPK2091338.DOCX;15/13045.000007/ }

construction at no charge or expense to the City, except as otherwise provided by law. Relocation shall be accomplished in such a manner as to accommodate the City's project.

5.6 Franchisee may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocation. Such alternatives must be submitted to the City at least thirty (30) days prior to commencement of project construction. The City may evaluate the alternatives and advise Franchisee in writing if one or more of the alternatives are suitable to accommodate the work that would otherwise necessitate relocation of the Facilities. If so requested by the City, Franchisee shall submit at its sole cost and expense additional information to assist the City in making such evaluation. The City is under no obligation to accept any proposed alternative. In the event the City ultimately determines that the proposed alternative is not desirable, Franchisee shall relocate its Facilities as required by this Section 5.

5.7 The provisions of this Section 5 shall in no manner preclude or restrict Franchisee from making any arrangements it may deem appropriate when responding to a request for relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by said person or entity are not or will not become City-owned, operated, or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

5.8 If Franchisee breaches its obligations under Section 5.1 with respect to relocating its Facilities within the Franchise Area, and to the extent such breach causes a delay in the work being undertaken by the City's third party contractor(s) that results in a claim by the third party contractor(s) for costs, expenses and/or damages that are directly caused by such delay and are legally required to be paid by the City (each, a "Contractor Delay Claim"), the City may at its sole option:

(a) tender the Contractor Delay Claim to Franchisee for defense and indemnification in accordance with Section 5.9 and Section 17; or

{DPK2091338.DOCX;15/13045.000007/ }

(b) require that Franchisee reimburse the City for actual costs, expenses, and/or damages that are legally required to be paid by the City to its third party contractor(s) as a direct result of the Contractor Delay Claim; provided that, if the City requires reimbursement by Franchisee under this Section 5.8(b), the City shall first give Franchisee written notice of the Contractor Delay Claim and give Franchisee the opportunity to work with the third party contractor(s) to resolve the Contractor Delay Claim for a period of not less than sixty (60) days prior to the City's payment of the Contractor Delay Claim.

5.9 Franchisee will indemnify, hold harmless, and pay the costs of defending the City, in accordance with the provisions of Section 17, against any and all claims, suits, actions, damages, or liabilities for delays on City construction projects caused by or arising out of the failure of Franchisee to remove or relocate its Facilities in a timely manner; provided, that Franchisee shall not be responsible for damages due to delays caused by circumstances beyond the control of Franchisee or the negligence, willful misconduct, or unreasonable delay of the City or any unrelated third party.

5.10 Whenever any person shall have obtained permission from the City to use any Right-of-Way for the purpose of moving any building, Franchisee, upon thirty (30) days' written notice from the City, shall raise, remove, or relocate to another part of the Right-of-Way, at the expense of the person desiring to move the building, any of Franchisee's Facilities that may obstruct the removal of such building.

5.11 If Franchisee fails, neglects, or refuses to remove or relocate its Facilities as directed by the City following the procedures outlined in Section 5.1 through Section 5.6 and Section 5.9 the City may perform such work or cause it to be done, and the City's costs shall be paid by Franchisee pursuant to Section 15.3 and Section 15.4.

5.12 The provisions of this Section 5 shall survive the expiration or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 6. Undergrounding of Facilities.

{DPK2091338.DOCX;15/13045.000007/ }

6.1 Except as specifically authorized by permit of the City, Franchisee shall not be permitted to erect poles or to run or suspend wires, cables, or other facilities thereon, but shall lay wires, cables, or other facilities underground in the manner required by the City. Franchisee acknowledges and agrees that if the City does not require the undergrounding of its Facilities at the time of a permit application, the City may, at any time in the future, require the conversion of Franchisee's aerial facilities to underground installation at Franchisee's expense at such time as the City requires all other utilities, except electrical utilities, with aerial facilities in the area to convert them to underground installation. Unless otherwise permitted by the City, Franchisee shall underground its Facilities in all new developments and subdivisions and any development or subdivision where utilities, except electrical utilities, are currently underground.

6.2 Whenever the City may require the undergrounding of the aerial utilities in any area of the City, Franchisee shall underground its aerial facilities in the manner specified by the City, concurrently with and in the area of the other affected utilities. The location of any relocated and underground utilities shall be approved by the City. Where other utilities are present and involved in the undergrounding project, Franchisee shall work with the other utilities to determine a fair share cost allocation for each individual utilities' facilities as well as common costs in a manner that is agreeable to all involved utilities. "Common costs" shall include necessary costs not specifically attributable to the undergrounding of any particular facility, such as costs for common trenching and utility vaults. "Fair share" shall be determined for a project on the basis of the number and size of conduits of Franchisee's Facilities being undergrounded in comparison to the total number of conduits of all other utility facilities being undergrounded. Such fair share cost allocation is the sole responsibility of the involved utilities and does not involve the City. This Section 6.2 shall only apply to the extent Franchisee has existing aerial utilities in the City or is specifically authorized to build aerial utilities by the City.

6.3 To the extent Franchisee is providing Services to Personal Wireless Facilities, Franchisee shall adhere to the design standards for such Personal Wireless Facilities, and shall underground its Facilities and/or place its Facilities within the pole as may be required

{DPK2091338.DOCX;15/13045.000007/ }

by such design standards. For the purposes of clarity, this Section 6.3 does not require undergrounding or interior placement of Facilities within the pole to the extent that the Personal Wireless Facilities are located on utility poles that have pre-existing aerial telecommunications facilities and provided such construction of Franchisee's Facilities continue to comply with Sections 6.1 or 6.2.

6.4 Within forty-eight (48) hours (excluding weekends and City-recognized holidays) following a request from the City, Franchisee shall locate underground Facilities by marking the location on the ground. The location of the underground Facilities shall be identified using orange spray paint, unless otherwise specified by the City, and within two (2) feet of the actual location.

6.5 Franchisee shall be entitled to reasonable access to open utility trenches, provided that such access does not interfere with the City's placement of utilities or increase the City's costs. Franchisee shall pay to the City the actual cost to the City resulting from providing Franchisee access to an open trench, including without limitation the pro rata share of the costs of access to an open trench and any costs associated with the delay of the completion of a public works project.

6.6 Franchisee shall not remove any underground cable or conduit that is part of its Facilities and requires trenching or other opening of the Rights-of-Way along the extension of cable to be removed, except as provided in this Section 6.6. Franchisee may remove any underground cable and other related facilities from the Right-of-Way that has been installed in such a manner that it can be removed without trenching or other opening of the Right-of-Way along the extension of cable to be removed, or if otherwise permitted by the City. Franchisee may remove any underground cable from the Rights-of-Way where reasonably necessary to replace, upgrade, or enhance its Facilities, or pursuant to Section 5. When the City determines, in the City's sole discretion, that Franchisee's underground Facilities must be removed in order to eliminate or prevent a potentially hazardous condition, Franchisee shall remove the cable or conduit at Franchisee's sole cost and expense. Franchisee must apply for and receive a permit, pursuant to Section 8.2, prior to any such removal of underground cable,

{DPK2091338.DOCX;15/13045.000007/ }

conduit and other related facilities from the Right-of-Way and must provide as-built plans and maps pursuant to Section 7.1.

6.7 The provisions of this Section 6 shall survive the expiration, revocation, or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way. Nothing in this Section 6 shall be construed as requiring the City to pay any costs of undergrounding any of the Franchisee's Facilities.

Section 7. Maps and Records.

7.1 After aerial or underground construction is complete, whether new construction, relocation required by Section 5 or required undergrounding consistent with Section 6, Franchisee shall provide the City with accurate digital as-built plans and maps stamped and signed by a professional land surveyor in a form and content acceptable to the City Manager or his/her designee. These plans and maps shall be provided at no cost to the City. Franchisee shall provide such maps within ten (10) days following a request from the City. Franchisee shall warrant the accuracy of all plans, maps and as-builts provided to the City.

7.2 Within thirty (30) days of a written request from the City, Franchisee shall furnish the City with information sufficient to demonstrate: 1) that Franchisee has complied with all applicable requirements of this Franchise; and 2) that all taxes, including but not limited to sales, utility and/or telecommunications taxes due the City in connection with Franchisee's Services and Facilities have been properly collected and paid by Franchisee.

7.3 All books, records, maps, and other documents maintained by Franchisee with respect to its Facilities within the Rights-of-Way and compliance with this Franchise shall be made available for inspection by the City at reasonable times and intervals; provided, however, that nothing in this Section 7.3 shall be construed to require Franchisee to violate state or federal law regarding customer privacy, nor shall this Section 7.3 be construed to require Franchisee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature. Unless otherwise prohibited by State or federal law, nothing in this Section 7.3 shall be construed as permission to withhold relevant customer data

{DPK2091338.DOCX;15/13045.000007/ }

from the City that the City requests in conjunction with a tax audit or review; provided, however, Franchisee may redact identifying information such as names, street addresses (excluding City and zip code), Social Security Numbers, or Employer Identification Numbers related to any confidentiality agreements Franchisee has with third parties.

7.4 Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature; provided, however, Franchisee shall disclose such information to comply with a utility tax audit, in the event the City is permitted to charge fees as further described in Section 16.1, or as otherwise required in this Franchise. Franchisee shall be responsible for clearly and conspicuously identifying any records disclosed pursuant to Section 7.3 as confidential or proprietary (if they are), and shall provide a brief written explanation as to why such information is confidential and how it may be treated as such under State or federal law. In the event that the City receives a public records request under Chapter 42.56 RCW or similar law for the disclosure of information Franchisee has designated as confidential, trade secret, or proprietary, the City shall promptly provide written notice of such disclosure so that Franchisee can take appropriate steps to protect its interests. The City agrees to keep confidential any proprietary or confidential books or records to the extent permitted by law. Nothing in this Section 7.4 prohibits the City from complying with Chapter 42.56 RCW or any other applicable law or court order requiring the release of public records, and the City shall not be liable to Franchisee for compliance with any law or court order requiring the release of public records. The City shall comply with any injunction or court order obtained by Franchisee that prohibits the disclosure of any such confidential records; however, in the event a higher court overturns such injunction or court order and such higher court action is or has become final and non-appealable, Franchisee shall reimburse the City for any fines or penalties imposed for failure to disclose such records as required hereunder within sixty (60) days of a request from the City.

7.5 On an annual basis, upon thirty (30) days prior written notice, the City shall have the right to conduct an independent audit of Franchisee's records reasonably related to the administration or enforcement of this Franchise, in accordance with GAAP. If the audit

shows that fee payments or taxes have been underpaid by three percent (3%) or more, Franchisee shall pay the total cost of the audit.

Section 8. Work in the Rights-of-Way.

8.1 During any period of relocation, construction or maintenance, all work performed by Franchisee or its contractors shall be accomplished in a safe and workmanlike manner, so as to minimize interference with the free passage of traffic and the free use of adjoining property, whether public or private. Franchisee shall at all times post and maintain proper barricades, flags, flaggers, lights, flares, and other measures as required for the safety of all members of the general public and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington, including RCW 39.04.180 for the construction of trench safety systems. Franchisee shall, at its own expense, maintain its Facilities in a safe condition, in good repair, and in a manner suitable to the City. Additionally, Franchisee shall keep its Facilities free of debris and anything of a dangerous, noxious, or offensive nature or which would create a hazard or undue vibration, heat, noise, or any interference with City services. The provisions of this Section 8 shall survive the expiration of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

8.2 Whenever Franchisee shall commence work in any public Rights-of-Way for the purpose of excavation, installation, construction, repair, maintenance, or relocation of its cable or facilities, it shall apply to the City for a permit to do so and shall comply with the requirements of the Mercer Island City Code 19.09.060 as now enacted or hereafter amended. In addition, the Franchisee shall give the City at least ten (10) working days (except in the case of an emergency) prior notice of its intent to commence work in the Rights-of-Way. In no case shall any work commence within any Rights-of-Way without a permit, except as otherwise provided in this Franchise.

8.3 Whenever Franchisee installs underground cables, conduits, and other linear facilities, trenchless construction methods shall be utilized as much as possible to

minimize impacts to surface improvements (roadways, sidewalks, curbs), underground utilities, and tree roots. The use of open-cut construction methods shall be minimized.

8.4 If the Franchisee shall at any time plan to make excavations in any area covered by this Franchise and as described in this Section 8.4, the Franchisee shall afford the other franchisees and the City, upon receipt of a written request to do so, an opportunity to share such excavation, PROVIDED THAT:

(a) Such joint use shall not unreasonably delay the work of Franchisee causing the excavation to be made;

(b) Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties; and

(c) Franchisee may deny such request for safety reasons.

8.5 Except for emergency situations, Franchisee shall give at least seven (7) days' prior notice of intended construction to residents in the affected area. Such notice shall contain the dates, contact number, nature and location of the work to be performed. At least twenty-four (24) hours prior to entering private property or streets or public easements adjacent to or on such private property, Franchisee shall physically post a notice on the property indicating the nature and location of the work to be performed. Door hangers are permissible methods of notifications to residents. These timeframes may be modified in the permit approved for the work. Franchisee shall make a good faith effort to comply with the property owner/resident's preferences, if any, on location or placement of underground installations (excluding aerial cable lines utilizing existing poles and existing cable paths), consistent with sound engineering practices. Following performance of the work, Franchisee shall restore the private property as nearly as possible to its condition prior to construction, except for any change in condition not caused by Franchisee. Any disturbance of landscaping, fencing, or other improvements on private property caused by Franchisee's work shall, at the sole expense of Franchisee, be promptly repaired and restored to the reasonable satisfaction of the property owner/resident. Notwithstanding the above, nothing herein shall give Franchisee the right to

{DPK2091338.DOCX;15/13045.000007/ }

enter onto private property without the permission of such private property owner, or as otherwise authorized by applicable law.

8.6 Franchisee shall at all times comply with the safety requirements contained in Section 10 and all applicable federal, State and local safety requirements.

8.7 Tree Trimming.

(a) Trees on Public Property.

(i) Franchisee, its contractors, and agents shall apply for a tree permit to prune or cut any tree in a right-of-way in accordance with chapter 19.10.100 of the Mercer Island City Code as now enacted or hereafter amended. No such pruning or cutting may occur before the permit is properly issued. Tree pruning or cutting shall only be allowed to the extent necessary to resolve a possible hazard or health or safety concern.

(ii) Franchisee shall provide 7 days' advance notice to the adjacent property owners before pruning or cutting a tree on public property.

(iii) Any pruning shall be completed consistent with the approved permit. All pruning or cutting shall at all times minimize damage to the tree and ensure best practices.

(iv) All tree pruning operations shall comply with the Manual on Uniform Traffic Control Devices (MUTCD) on temporary traffic control standards or other standards as may be required by the tree pruning/cutting permit.

(b) Trees on Private Property.

(i) Franchisee shall not prune or cut any trees on private property, unless Franchisee has the express, written permission of the property owner and a tree permit in accordance with chapter 19.10 of the Mercer Island City Code as now enacted or hereafter amended is obtained, if applicable.

(ii) The City shall not be liable for any damages, injuries, or claims arising from Franchisee's actions under this Section 8.7.

8.8 Franchisee shall meet with the City and other franchise holders and users of the Rights-of-Way upon written notice as determined by the City, to schedule and coordinate construction in the Rights-of-Way. All construction locations, activities, and schedules shall be coordinated as ordered by the City to minimize public inconvenience, disruption, or damages.

8.9 Franchisee acknowledges that it, and not the City, shall be responsible for compliance with all marking and lighting requirements of the Federal Aviation Administration ("FAA") and the Federal Communications Commission ("FCC") with respect to Franchisee's Facilities, if applicable. Franchisee shall indemnify and hold the City harmless from any fines or other liabilities caused by Franchisee's failure to comply with such requirements. Should Franchisee or the City be cited by either the FCC or the FAA because the Facilities or Franchisee's equipment is not in compliance and should Franchisee fail to cure the conditions of noncompliance within the timeframe allowed by the citing agency, the City may, upon at least forty-eight (48) hours' prior written notice to Franchisee, either terminate this Franchise immediately if the equipment is not brought into compliance by the expiration of such notice period or may proceed to cure the conditions of noncompliance at Franchisee's expense, and collect all reasonable costs from Franchisee in accordance with the provisions of Section 15.3 and Section 15.4.

8.10 The granting of this Franchise shall not preclude the City, its accredited agents or its contractors, from demolition, grading or doing other necessary road work contiguous to the Franchisee's improvements.

8.11 The provisions of this Section 8 shall survive the expiration, revocation, or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

{DPK2091338.DOCX;15/13045.000007/ }

Section 9. One Call Locator Service. Prior to doing any work in the Rights-of-Way, the Franchisee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes regarding the One Call Locator Service pursuant to Chapter 19.122 RCW. Chapter 19.122 RCW. Further, upon request from a third party or the City, Franchisee shall locate its Facilities consistent with the requirements of Chapter 19.122 RCW. The City shall not be liable for any damages to Franchisee's Facilities or for interruptions in service to Franchisee's customers that are a direct result of Franchisee's failure to locate its Facilities within the prescribed time limits and guidelines established by the One Call Locator Service regardless of whether the City issued a permit.

Section 10. Safety Requirements.

10.1 Franchisee shall, at all times, employ professional care and shall install and maintain and use industry-standard methods for preventing failures and accidents that are likely to cause damage, injuries, or nuisances to the public. All facilities in, over, under, and upon the Rights-of-Ways, wherever situated or located, shall at all times be kept and maintained in a safe condition. Franchisee shall comply with all federal, State, and City safety requirements, rules, regulations, laws, and practices, and employ all necessary devices as required by applicable law during the construction, operation, maintenance, upgrade, repair, or removal of its Facilities. By way of illustration and not limitation, Franchisee shall also comply with the applicable provisions of the National Electric Code, National Electrical Safety Code, FCC regulations, and Occupational Safety and Health Administration (OSHA) Standards. Upon reasonable notice to Franchisee, the City reserves the general right to inspect the Facilities to evaluate if they are constructed and maintained in a safe condition.

10.2 If an unsafe condition or a violation of Section 10.1 is found to exist, and becomes known to the City, the City agrees to give Franchisee written notice of such condition and afford Franchisee a reasonable opportunity to repair the same. If Franchisee fails to start to make the necessary repairs and alterations within the time frame specified in such notice (and pursue such cure to completion), then the City may make such repairs or contract for them to be made. All costs, including administrative costs, incurred by the City in repairing any unsafe

{DPK2091338.DOCX;15/13045.000007/ }

conditions shall be borne by Franchisee and reimbursed to the City pursuant to Section 15.3 and Section 15.4.

10.3 Additional safety standards include:

(a) Franchisee shall endeavor to maintain all facilities in an orderly manner, including, but not limited to, the removal of all bundles of unused cable on any aerial facilities.

(b) All installations of facilities shall be installed in accordance with industry-standard engineering practices and shall comply with all federal, State, and local regulations, ordinances, and laws.

(c) Any opening or obstruction in the Rights-of-Way or other public places made by Franchisee in the course of its operations shall be protected by Franchisee at all times by the placement of adequate barriers, fences, or boarding, the bounds of which, during periods of dusk and darkness, shall be clearly marked and visible.

10.4 Stop Work Order

On notice from the City that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as determined by the City, or in violation of the terms of any applicable permit, laws, regulations, ordinances, or standards, the work may immediately be stopped by the City. The stop work order shall conform to the requirements of Mercer Island City Code 6.10. Nothing in this Franchise Agreement shall be construed to limit the City's authority to enforce applicable permit conditions, laws, regulations, ordinances, or standards as set forth in Section 24.

10.5 The provisions of this Section 10 shall survive the expiration, revocation, or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 11. Work of Contractors and Subcontractors. Franchisee's contractors and subcontractors shall be licensed and bonded in accordance with State law and the City's ordinances, {DPK2091338.DOCX;15/13045.000007/ }

regulations, and requirements. Work by contractors and subcontractors is subject to the same restrictions, limitations, and conditions as if the work were performed by Franchisee. Franchisee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by Franchisee and shall ensure that all such work is performed in compliance with this Franchise, any applicable permits, and applicable law. The provisions of this Section 11 shall survive the expiration, revocation, or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 12. City Conduit. Except in emergency situations, Franchisee shall inform the City Engineer with at least thirty (30) days' advance written notice that it is constructing, relocating, or placing ducts or conduits in the Rights-of-Way and provide the City with an opportunity to request that Franchisee provide the City with additional duct or conduit, and related structures necessary to access the conduit pursuant to and subject to RCW 35.99.070. Such notification shall be in addition to the requirement to apply for and obtain permits pursuant to Section 8.2.

Section 13. Restoration after Construction.

13.1 Franchisee shall, after installation, construction, relocation, maintenance, or repair of its Facilities, or after abandonment approved pursuant to Section 19, promptly remove any obstructions from the Rights-of-Way and restore the surface of the Rights-of-Way to at least the same condition the Rights-of-Way were in immediately prior to any such installation, construction, relocation, maintenance or repair, provided Franchisee shall not be responsible for any changes to the Rights-of-Way not caused by Franchisee or anyone doing work for Franchisee. The City Manager or his/her designee shall have final approval of the condition of such Rights-of-Way after restoration. All concrete encased survey monuments that have been disturbed or displaced by such work shall be restored pursuant to federal, state (Chapter 332-120 WAC), and local standards and specifications.

13.2 Franchisee agrees to promptly complete all restoration work and to promptly repair any damage caused by work to the Franchise Area or other affected area at its sole cost and expense and according to the time and terms specified in the construction permit issued by the City. All work by Franchisee pursuant to this Franchise shall be performed in

{DPK2091338.DOCX;15/13045.000007/ }

accordance with applicable City standards and warranted for a period of two (2) years following closeout of the permit, or other time period as may be required by a permit of the City Code, and for undiscovered defects as is standard and customary for this type of work.

13.3 If conditions (e.g. weather) make the complete restoration required under Section 13 impracticable, Franchisee shall temporarily restore the affected Right-of-Way or property. Such temporary restoration shall be at Franchisee's sole cost and expense. Franchisee shall promptly undertake and complete the required permanent restoration when conditions no longer make such permanent restoration impracticable.

13.4 In the event Franchisee does not repair a Right-of-Way or an improvement in or to a Right-of-Way within the time agreed to by the City Manager, or his/her designee, the City may repair the damage and shall be reimbursed its actual cost within sixty (60) days of submitting an itemized invoice to Franchisee in accordance with the provisions of Section 15.3 and Section 15.4. In addition, and pursuant to Section 15.3 and Section 15.4, the City may bill Franchisee for expenses associated with the inspection of such restoration work. The failure by Franchisee to complete such repairs shall be considered a breach of this Franchise and is subject to remedies by the City including the imposition of damages consistent with Section 21.2.

13.5 The provisions of this Section 13 shall survive the expiration or termination of this Franchise so long as Franchisee continues to have Facilities in the Rights-of-Way and has not completed all restoration to the City's standards.

Section 14. Emergencies.

14.1 In the event of any emergency in which any of Franchisee's Facilities located in or under any street endangers the property, life, health, or safety of any person, entity or the City, or if Franchisee's construction area is otherwise in such a condition as to immediately endanger the property, life, health, or safety of any person, entity or the City, Franchisee shall immediately take the proper emergency measures to repair its Facilities and to cure or remedy the dangerous conditions for the protection of property, life, health, or safety of

{DPK2091338.DOCX;15/13045.000007/ }

any person, entity or the City, without first applying for and obtaining a permit as required by this Franchise. However, this shall not relieve Franchisee from the requirement of obtaining any permits necessary for this purpose, and Franchisee shall apply for all such permits not later than the next succeeding day during which the Mercer Island City Hall is open for business. The City retains the right and privilege to cut or move any Facilities located within the Rights-of-Way of the City, as the City may determine to be necessary, appropriate, or useful in response to any public health or safety emergency. The City shall notify Franchisee by telephone promptly upon learning of the emergency and shall exercise reasonable efforts to avoid an interruption of Franchisee's operations.

14.2 Whenever the construction, installation, or excavation of Facilities authorized by this Franchise has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining street or public place, an adjoining public place, street utilities, City property, Rights-of-Way, or private property (collectively "Endangered Property") or endangers the public, the City Manager or his/her designee, may direct Franchisee, at Franchisee's own expense, to take reasonable action to protect the Endangered Property or the public, and such action may include compliance within a prescribed time. In the event that Franchisee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if an emergency situation exists that requires immediate action before the City can timely contact Franchisee to request Franchisee effect the immediate repair, the City may enter upon the Endangered Property and take such reasonable actions as are necessary to protect the Endangered Property or the public. Franchisee shall be liable to the City for the costs of any such repairs in accordance with the provisions of Sections 15.3 and 15.4.

14.3 The City shall not be liable for any damage to or loss of Facilities within the Rights-of-Way as a result of or in connection with any public works, public improvements, construction, grading, excavation, filling, or work of any kind in the Rights-of-Way by or on behalf of the City, except to the extent directly and proximately caused by the gross negligence or willful acts of the City, its employees, contractors, or agents. The City shall further not be liable to Franchisee for any direct, indirect, or any other such damages suffered by any person

{DPK2091338.DOCX;15/13045.000007/ }

or entity of any type as a direct or indirect result of the City's actions under this Section 14 except to the extent caused by the gross negligence or willful acts of the City, its employees, contractors, or agents.

14.4 The provisions of this Section 14 shall survive the expiration, revocation, or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 15. Recovery of Costs.

15.1 Upon receipt of an itemized billing from the City, Franchisee shall pay a fee for the actual administrative expenses incurred by the City that are directly related to the receiving and approving of this Franchise pursuant to RCW 35.21.860, including the costs associated with City's legal costs incurred in drafting and processing this Franchise and all work related thereto. No construction permits shall be issued for the installation of Facilities authorized until such time as the City has received payment of the fee; further, this Franchise will not be deemed accepted without the payment of this fee. Franchisee shall further be subject to all permit fees associated with activities undertaken through the authority granted in this Franchise or under the laws of the City. Where the City incurs costs and expenses for review, inspection, or supervision of activities, including but not limited to reasonable fees associated with attorneys, consultants, City Staff and City Attorney time, undertaken through the authority granted in this Franchise or any ordinances relating to the subject for which a permit fee is not established, Franchisee shall pay such costs and expenses directly to the City in accordance with the provisions of Section 15.3.

15.2 In addition to Section 15.1, Franchisee shall promptly reimburse the City in accordance with the provisions of Section 15.3 and Section 15.4 for any and all costs the City reasonably incurs in response to any emergency situation involving Franchisee's Facilities, to the extent said emergency is not the fault of the City. The City agrees to simultaneously seek reimbursement from any franchisee or permit holder who caused or contributed to the emergency situation.

{DPK2091338.DOCX;15/13045.000007/ }

15.3 Franchisee shall reimburse the City within sixty (60) days of submittal by the City of an itemized billing for reasonably incurred costs, itemized by project, for Franchisee's proportionate share of all actual, identified expenses incurred by the City in planning, constructing, installing, repairing, altering, or maintaining any City facility as the result of the presence of Franchisee's Facilities in the Rights-of-Way. Such costs and expenses shall include but not be limited to Franchisee's proportionate cost of City personnel assigned to oversee or engage in any work in the Rights-of-Way as the result of the presence of Franchisee's Facilities in the Rights-of-Way. Such costs and expenses shall also include Franchisee's proportionate share of any time spent reviewing construction plans in order to either accomplish the relocation of Franchisee's Facilities or the routing or rerouting of any utilities so as not to interfere with Franchisee's Facilities.

15.4 The time of City employees shall be charged at their respective rate of salary, including overtime if applicable, plus benefits and reasonable overhead. Any other costs will be billed proportionately on an actual cost basis. All billings will be itemized to specifically identify the costs and expenses for each project for which the City claims reimbursement. A charge for the actual costs incurred in preparing the billing may also be included in said billing. At the City's option, the billing may be on an annual basis, but the City shall provide the Franchisee with the City's itemization of costs, in writing, at the conclusion of each project for information purposes.

Section 16. City's Reservation of Rights.

16.1 Franchisee represents that its Services, as authorized under this Franchise, are a telephone business as defined in RCW 82.16.010, or that it is a service provider as used in RCW 35.21.860 and defined in RCW 35.99.010. As a result, the City will not impose franchise fees under the terms of this Franchise. The City reserves its right to impose a franchise fee on Franchisee if Franchisee's Services as authorized by this Franchise change such that the statutory prohibitions of RCW 35.21.860 no longer apply or if statutory prohibitions on the imposition of such fees are otherwise removed. The City also reserves its right to require that Franchisee obtain a separate franchise for a change in use, which franchise may include

{DPK2091338.DOCX;15/13045.000007/ }

provisions intended to regulate Franchisee's operations as allowed under applicable law. Nothing contained within this Franchise shall preclude Franchisee from challenging any such new fee or separate agreement under applicable federal, State, or local laws.

16.2 Franchisee acknowledges that its operation with the City constitutes a telecommunication business subject to the utility tax imposed pursuant to the Mercer Island City Code Chapter 4.12. Franchisee stipulates and agrees that certain of its business activities are subject to taxation as a telecommunication business and that Franchisee shall pay to the City the rate applicable to such taxable services under Mercer Island City Code Chapter 4.12, and consistent with state and federal law. The parties agree however, that nothing in this Franchise shall limit the City's power of taxation as may exist now or as later imposed by the City. This provision does not limit the City's power to amend Mercer Island City Code Chapter 4.12 as may be permitted by law.

Section 17. Indemnification.

17.1 Franchisee shall defend, indemnify, and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Franchisee's acts, errors or omissions, or from the conduct of Franchisee's business, or from any activity, work or thing done, permitted, or suffered by Franchisee arising from or in connection with this Franchise Agreement, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

17.2 However, should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Franchisee and the City, its officers, officials, employees, and volunteers, the Franchisee's liability hereunder shall be only to the extent of the Franchisee's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Franchisee's waiver of immunity under Industrial Insurance, Title 51 RCW,

{DPK2091338.DOCX;15/13045.000007/ }

solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Section 17 shall survive the expiration or termination of this Agreement.

17.3 The City shall promptly notify Franchisee of any claim or suit and request in writing that Franchisee indemnify the City. Franchisee may choose counsel to defend the City subject to this Section 16.3. City's failure to so notify and request indemnification shall not relieve Franchisee of any liability that Franchisee might have, except to the extent that such failure prejudices Franchisee's ability to defend such claim or suit.

17.4 If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, then upon the prior written approval and consent of Franchisee, which shall not be unreasonably withheld, the City shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and Franchisee shall pay the reasonable fees and expenses of such separate counsel, except that Franchisee shall not be required to pay the fees and expenses of separate counsel on behalf of the City for the City to bring or pursue any counterclaims or interpleader action, equitable relief, restraining order or injunction. The City's fees and expenses shall include all out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the counsel retained by the City but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Franchisee. Each party agrees to cooperate and to cause its employees and agents to cooperate with the other party in the defense of any such claim and the relevant records of each party shall be available to the other party with respect to any such defense.

17.5 In the event that Franchisee refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions within this Franchise, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, Franchisee shall pay all of the City's reasonable costs for defense of the action,

{DPK2091338.DOCX;15/13045.000007/ }

including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision.

17.6 Inspection or acceptance by the City of any work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance by Franchisee of any of its obligations under this Section 17. These indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised, with Franchisee's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

17.7 Notwithstanding any other provisions of this Section 17, Franchisee assumes the risk of damage to its Facilities located in the Rights-of-Way and upon City-owned property from activities conducted by the City, its officers, agents, employees, volunteers, elected and appointed officials, and contractors, except to the extent any such damage or destruction is caused by or arises from any grossly negligent, willful, or criminal actions on the part of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors. In no event shall either party be liable to the other for any indirect, incidental, special, consequential, exemplary, or punitive damages, including, by way of example and not limitation, lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with such party's performance or failure to perform under this Franchise. Franchisee releases and waives any and all such claims against the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors. Franchisee further agrees to indemnify, hold harmless and defend the City against any claims for damages, including, but not limited to, business interruption damages and lost profits and consequential damages, brought by or under users of Franchisee's Facilities as the result of any interruption of service due to damage or destruction of Franchisee's Facilities caused by or arising out of activities conducted by the City, its officers, agents, employees or contractors, except to the extent any such damage or destruction is caused by or arises from the gross negligence or any willful, or criminal actions on the part of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors.

{DPK2091338.DOCX;15/13045.000007/ }

17.8 The provisions of this Section 17 shall survive the expiration, revocation, or termination of this Franchise.

Section 18. Insurance.

18.1 Franchisee shall procure and maintain for the duration of this Franchise Agreement and so long as Franchisee has Facilities in the Rights-of-Way, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of rights, privileges and authority granted to Franchisee, its agents representatives or employees. Franchisee shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Franchisee-provided insurance as set forth herein, except the Franchisee shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Franchisee shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement as least as broad as ISO CG 2026.

18.2 No Limitation. Franchisee's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Franchisee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

18.3 Minimum Scope of Insurance. Franchisee shall obtain insurance of the types and coverage described below:

(a) Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The City shall be named as additional an insured on Franchisee's Commercial General Liability insurance policy with respect this Franchise Agreement using ISO Additional Insured-Managers or

{DPK2091338.DOCX;15/13045.000007/ }

Lessors of Premises Form CG 20 26 07 04 or a substitute endorsement providing at least as broad coverage.

- (b) Property insurance shall be written on an all risk basis.

18.4 Minimum Amounts of Insurance. Franchisee shall maintain the following insurance limits:

(a) Commercial General Liability insurance shall be written with limits no less than \$5,000,000 each occurrence, \$5,000,000 general aggregate;

(b) Property insurance shall be written covering the full value of Franchisee's property and improvements with no coinsurance provisions;

(c) Franchisee's Pollution Liability insurance shall be written in an amount of at least \$2,000,000 per loss, with an annual aggregate of at least \$2,000,000.

(d) Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased, or hired vehicles, as applicable, with a minimum limit of \$5,000,000 each accident for bodily injury and property damage; and

(e) Workers' Compensation insurance for Washington State as required by Title 51 RCW Industrial Insurance.

(f) Excess or Umbrella Liability insurance shall be written with limits of not less than \$5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through Franchisee's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

(g) The City may reasonably increase the minimum policy limits and coverage from time to time as the City deems appropriate to adequately protect the City and the public.

{DPK2091338.DOCX;15/13045.000007/ }

18.5 Additional Insured. The Commercial General Liability insurance policy and Excess of Umbrella liability insurance, if any, shall name the City, its elected officials, officers, and employees as additional insureds as respects any covered liability arising out of Franchisee's performance of this Franchise. Coverage shall be in an occurrence form and in accordance with the limits and provisions specified herein. Claims-made policies are not acceptable. Such insurance shall not be canceled, nor shall the occurrence or aggregate limits set forth above be reduced, until the City has received at least thirty (30) days' advance written notice of such cancellation or change. Franchisee shall be responsible for notifying the City of such change or cancellation.

18.6 Franchisee's Commercial General Liability, Automobile Liability, Excess or Umbrella Liability, Contractors Pollution Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect to the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Franchisee's insurance and shall not contribute with it.

18.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

18.8 Verification of Coverage. Franchisee shall furnish the City with certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Franchisee. Upon request by the City, the Franchisee shall furnish and evidence of all subcontractors' coverage.

18.9 Notice of Cancellation. Franchisee shall provide the City with written notice of any policy cancellation within seven (7) business days of their receipt of such notice.

18.10 Failure to Maintain Insurance. Failure on the part of Franchisee to maintain the insurance as required shall constitute a material breach of the Franchise, upon which the City may, after giving 5 business days' notice to Franchisee to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any and all

{DPK2091338.DOCX;15/13045.000007/ }

premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

18.11 As of the effective date of this Franchise, Franchisee is not self-insured. Should Franchisee wish to become self-insured at the levels outlined in this Franchise at a later date, Franchisee must provide the City with thirty (30) days advanced written notice of its intent to self-insure. In order to self-insure, Franchisee shall comply with the following: (i) provide the City, upon request, a copy of Franchisee's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) Franchisee or its parent company is responsible for all payments within the self-insured retention; (iii) Franchisee assumes all defense and indemnity obligations as outlined in the indemnification section of this Agreement. (iv) provide a written attestation that Franchisee possesses the necessary amount of unencumbered financial assets to support the financial exposure of self-insurance, as evidenced by an outside auditor's review of Franchisee's financial statements; and (v) the City, upon request, may review Franchisee's financial statements.

Section 19. Abandonment of Franchisee's Telecommunications Network.

19.1 Upon the expiration, termination, or revocation of the rights granted under this Franchise, Franchisee shall remove all of its Facilities from the Rights-of-Way within sixty (60) days of receiving written notice from the City Manager or his/her designee. The Facilities, in whole or in part, may not be abandoned by Franchisee without written approval by the City. Any plan for abandonment or removal of Franchisee's Facilities must be first approved by the City Manager or his/her designee, and all necessary permits must be obtained prior to such work. Franchisee shall restore the Rights-of-Way to at least the same condition the Rights-of-Way were in immediately prior to any such installation, construction, relocation, maintenance or repair, provided Franchisee shall not be responsible for any changes to the Rights-of-Way not caused by Franchisee or any person doing work for Franchisee. Franchisee shall be solely responsible for all costs associated with removing its Facilities and restoring the Right-of-Way.

{DPK2091338.DOCX;15/13045.000007/ }

19.2 Notwithstanding Section 19.1 above, the City may permit Franchisee's improvements to be abandoned and placed in such a manner as the City may prescribe. Upon permanent abandonment, and Franchisee's agreement to transfer ownership of the Facilities to the City, Franchisee shall submit to the City a proposal and instruments for transferring ownership to the City.

19.3 Any Facilities which are not removed within one hundred (120) days of either the date of termination or revocation or the date the City issued a permit authorizing removal, whichever is later, shall automatically become the property of the City. Any costs incurred by the City in safeguarding such Facilities or removing the Facilities shall be reimbursed by Franchisee. Nothing contained within this Section 19 shall prevent the City from compelling Franchisee to remove any such Facilities through judicial action when the City has not permitted Franchisee to abandon said Facilities in place. The provisions of this Section 19 shall survive the expiration, revocation, or termination of this Franchise.

19.4 If Franchisee leases a structure in the Right-of-Way from a landlord and such landlord later replaces, removes or relocates the structure, for example by building a replacement structure, Franchisee shall remove or relocate its Facilities within the rights-of-way within ninety (90) days of such notification from the landlord at no cost to the City.

19.5 The provisions of this Section 19 shall survive the expiration, revocation, or termination of this Franchise and for so long as Franchisee has Facilities in Rights-of-Way.

Section 20. Security.

20.1 Within 30 days of the execution of this Franchise, Franchisee shall maintain and furnish to the City a Security in favor of the City. "Security" means either an executed performance bond, letter of credit, or a bank or cashier's check made payable to the City, or other form of security acceptable to the City for the purpose of protecting the City from the costs and expenses associated with Franchisee's failure to comply with its material obligations under and throughout the life of this Franchise, including but not limited to, (a) the City's restoration of its Right-of-Way; (b) the City's removal of any of Franchisee's Facilities

{DPK2091338.DOCX;15/13045.000007/ }

that are abandoned without approval or not properly maintained or that need to be removed to protect public health, safety, welfare, or City property; or (c) the City's remediation of environmental and hazardous waste issues caused by Franchisee after Franchisee receives reasonable notice from the City of any of the non-compliance listed above and opportunity to cure.

20.2 The amount of the Security shall be determined by mutual agreement by Franchisee and the City Attorney/City Manager in writing.

20.3 The Bond, if any, must be in a form approved by the City Attorney and issued by a corporate surety authorized and admitted to write surety bonds in Washington state. The surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability up to \$100,000.00, by a reinsurer listed on the U.S. Treasury list.

20.4 In the event the surety or party issuing the Security cancels or decides not to renew or extend the Security, Franchisee shall obtain, and provide to the City Attorney for approval, a replacement Security with another surety, authorized to do business in Washington, within 30 days of the date the Security has been cancelled or non-renewed. If Franchisee fails to provide the replacement Security within the 30-day period, the City Manager, after consulting with the City Attorney, may immediately suspend Franchisee from any further performance under this Franchise and begin procedures to terminate for default.

20.5 In the event that the City draws upon the Security, Franchisee must replenish the amount of the Security within 30 days. Notwithstanding any provisions of this Franchise to the contrary, the City Manager shall be required to notify Franchisee in writing as a precondition to drawing on, seeking payment under, or executing against the Security.

20.6 In the event that Franchisee shall fully and faithfully comply with all of the terms of this Franchise, the City shall return the Security to Franchisee within 60 days of the Franchise's expiration or termination, to the extent such Security is not otherwise applied consistent with this Franchise.

{DPK2091338.DOCX;15/13045.000007/ }

Section 21. Remedies to Enforce Compliance.

21.1 In addition to any other remedy provided in this Franchise, the City reserves the right to pursue any remedy available at law or in equity to compel or require Franchisee and/or its successors and assigns to comply with the terms of this Franchise and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a revocation for breach of the conditions. In addition to any other remedy provided in this Franchise, Franchisee reserves the right to pursue any remedy available at law or in equity to compel or require the City, its officers, employees, volunteers, contractors and other agents and representatives, to comply with the terms of this Franchise. Further, all rights and remedies provided herein shall be in addition to and cumulative with any and all other rights and remedies available to either the City or Franchisee. Such rights and remedies shall not be exclusive, and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy. Provided, further, that by entering into this Franchise, it is not the intention of the City or Franchisee to waive any other rights, remedies, or obligations as provided by law, equity or otherwise, and nothing contained in this Franchise shall be deemed or construed to affect any such waiver. The parties reserve the right to seek and obtain injunctive relief with respect to this Franchise to the extent authorized by applicable law and that the execution of this Franchise shall not constitute a waiver or relinquishment of such right. The parties agree that in the event a party obtains injunctive relief, neither party shall be required to post a bond or other security and the parties agree not to seek the imposition of such a requirement.

21.2 If either party violates or fails to comply with any of the provisions of this Franchise, or a permit issued as required by Section 8.2, or should it fail to heed or comply with any notice given to such party under the provisions of this Franchise (the “Defaulting Party”), the other Party (the “Non-defaulting Party”) shall provide the Defaulting Party with written notice specifying with reasonable particularity the nature of any such breach and the Defaulting Party shall undertake all commercially reasonable efforts to cure such breach within thirty (30) days of receipt of notification. If the Non-defaulting Party reasonably determines the breach cannot be cured within thirty (30) days, the Non-defaulting Party may specify a

{DPK2091338.DOCX;15/13045.000007/ }

longer cure period, and condition the extension of time on the Defaulting Party's submittal of a plan to cure the breach within the specified period, commencement of work within the original thirty (30) day cure period, and diligent prosecution of the work to completion. If the breach is not cured within the specified time, or the Defaulting Party does not comply with the specified conditions, the Non-defaulting Party may pursue any available remedy at law or in equity as provided in Section 21.1 above, or in the event Franchisee has failed to timely cure the breach, the City, at its sole discretion, may elect to (1) revoke this Franchise pursuant to Section 22, (2) claim damages of Two Hundred Fifty Dollars (\$250.00) per day against Franchisee (and collect from the Franchise Bond if necessary), or (3) extend the time to cure the breach if under the circumstances additional time is reasonably required. Liquidated damages described in this Section 21.2 shall not be offset against any sums due to the City as a tax or reimbursement pursuant to Section 15.

Section 22. Revocation. If Franchisee willfully violates or fails to comply with any material provisions of this Franchise, then at the election of the Mercer Island City Council after at least sixty (60) days prior written notice to Franchisee specifying the alleged violation or failure, the City may revoke all rights conferred and this Franchise may be revoked by the Council after a hearing held upon such notice to Franchisee. Such hearing shall be open to the public and Franchisee and other interested parties may offer written and/or oral evidence explaining or mitigating such alleged noncompliance. Within thirty (30) days after the hearing, the Mercer Island City Council, on the basis of the record, will make the determination as to whether there is cause for revocation, whether the Franchise will be terminated, or whether lesser sanctions should otherwise be imposed. The Mercer Island City Council may in its sole discretion fix an additional time period to cure violations. If the deficiency has not been cured at the expiration of any additional time period or if the Mercer Island City Council does not grant any additional period, the Mercer Island City Council may by resolution declare the Franchise to be revoked and forfeited or impose lesser sanctions. If Franchisee appeals revocation and termination, such revocation may be held in abeyance pending judicial review by a court of competent jurisdiction, provided Franchisee is otherwise in compliance with the Franchise.

{DPK2091338.DOCX;15/13045.000007/ }

Section 23. Non-Waiver. The failure of either party to insist upon strict performance of any of the covenants and agreements of this Franchise or to exercise any option conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such covenants, agreements, or option or any other covenants, agreements or option.

Section 24. Police Powers and City Regulations. Nothing within this Franchise shall be deemed to restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of this Franchise and the franchises of similarly-situated entities, including any valid ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to reasonably control by appropriate regulations, consistent with 47 U.S.C. § 253, the location, elevation, manner of construction, and maintenance of any Facilities by Franchisee and other similarly-situated franchisees, and Franchisee shall promptly conform with all such regulations, unless compliance would cause Franchisee to violate other requirements of law. The City reserves the right to promulgate any additional regulations of general applicability as it may find necessary in the exercise of its lawful police powers consistent with 47 U.S.C. § 253. In the event of a conflict between the provisions of this Franchise and any other ordinance(s) enacted under the City's police power authority, such other ordinances(s) shall take precedence over this Franchise.

Section 25. Cost of Publication. The cost of publication of this Franchise shall be borne by Franchisee.

Section 26. Acceptance. Franchisee shall execute and return to the City its execution and acceptance of this Franchise in the form attached hereto as Exhibit B. The administrative fee pursuant to Section 15.1 is due within thirty days of receipt of the invoice from the City. In addition, Franchisee shall file the certificate of insurance and the additional insured endorsements obtained pursuant to Section 18, and the Franchise Bond required pursuant to Section 20.

Section 27. Survival. All of the provisions, conditions, and requirements of Section 5, Section 6, Section 8, Section 10, Section 11, Section 13, Section 14, Section 15, Section 17, Section 18, Section 19, Section 20, and Section 28 of this Franchise shall be in addition to any and all other obligations and liabilities Franchisee may have to the City at common law, by statute, or by contract,
{DPK2091338.DOCX;15/13045.000007/ }

and shall survive this Franchise, and any renewals or extensions, to the extent provided for in those sections. All of the provisions, conditions, regulations, and requirements contained in this Franchise shall further be binding upon the successors, executors, administrators, legal representatives, and assigns of Franchisee and all privileges, as well as all obligations and liabilities of Franchisee shall inure to its successors and assigns equally as if they were specifically mentioned where Franchisee is named.

Section 28. Changes of Ownership or Control.

28.1 This Franchise may not be directly or indirectly assigned, transferred, or disposed of by sale, lease, merger, consolidation or other act of Franchisee, by operation of law or otherwise, unless approved in writing by the City, which approval shall not be unreasonably withheld, conditioned or delayed. The above notwithstanding, Franchisee may freely assign this Franchise in whole or in part to a parent, subsidiary, or affiliated entity, unless there is a change of control as described in Section 28.2 below, or for collateral security purposes. Franchisee shall provide prompt, written notice to the City of any such assignment. In the case of transfer or assignment as security by mortgage or other security instrument in whole or in part to secure indebtedness, such consent shall not be required unless and until the secured party elects to realize upon the collateral. For purposes of this Section 28, no assignment or transfer of this Franchise shall be deemed to occur based on the public trading of Franchisee's stock; provided, however, any tender offer, merger, or similar transaction resulting in a change of control shall be subject to the provisions of this Franchise.

28.2 Any transactions that singularly or collectively result in a change of more than fifty percent (50%) of the: ultimate ownership or working control of Franchisee, ownership or working control of the Facilities, ownership or working control of affiliated entities having ownership or working control of Franchisee or of the Facilities, or of control of the capacity or bandwidth of Franchisee's Facilities, shall be considered an assignment or transfer requiring City approval. Transactions between affiliated entities are not exempt from City approval if there is a change in control as described in the preceding sentence. Franchisee shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party

{DPK2091338.DOCX;15/13045.000007/ }

of control of Franchisee. Every change, transfer, or acquisition of control of Franchisee shall cause a review of the proposed transfer. The City shall approve or deny such request for an assignment or transfer requiring City's consent within one-hundred twenty (120) days of a completed application from Franchisee, unless a longer period of time is mutually agreed to by the parties or when a delay in the action taken by the City is due to the schedule of the City Council and action cannot reasonably be obtained within the one hundred twenty (120) day period. In the event that the City adopts a resolution denying its consent and such change, transfer, or acquisition of control has been affected, the City may revoke this Franchise, following the revocation procedure described in Section 22 above. The assignee or transferee must have the legal, technical, financial, and other requisite qualifications to own, hold, and operate Franchisee's Services. Franchisee shall reimburse the City for all direct and indirect costs and expenses reasonably incurred by the City in considering a request to transfer or assign this Franchise, in accordance with the provisions of Section 15.3 and Section 15.4, and shall pay the applicable application fee.

28.3 Franchisee may, without prior consent from the City: (i) lease the Facilities, or any portion, to another person; (ii) grant an indefeasible right of user interest in the Facilities, or any portion, to another person; or (iii) offer to provide capacity or bandwidth in its Facilities to another person, provided further, that Franchisee shall at all times retain exclusive control over its Facilities and remain fully responsible for compliance with the terms of this Franchise, and Franchisee shall furnish, upon request from the City, a copy of any such lease or agreement, provided that Franchisee may redact the name, street address (except for City and zip code), Social Security Numbers, Employer Identification Numbers or similar identifying information, and other information considered confidential under applicable laws provided in such lease or agreement, and the lessee complies, to the extent applicable, with the requirements of this Franchise and applicable City codes. Franchisee's obligation to remain fully responsible for compliance with the terms under this Section 28.3 shall survive the expiration of this Franchise but only if and to the extent and for so long as Franchisee is still the owner or has exclusive control over the Facilities used by a third party.

{DPK2091338.DOCX;15/13045.000007/ }

Section 29. Entire Agreement. This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter within this Franchise and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution of this Franchise.

Section 30. Eminent Domain. The existence of this Franchise shall not preclude the City from acquiring by condemnation in accordance with applicable law, all or a portion of Franchisee's Facilities for the fair market value. In determining the value of such Facilities, no value shall be attributed to the right to occupy the area conferred by this Franchise.

Section 31. Vacation. If at any time the City, by ordinance and in accordance with applicable laws, vacates all or any portion of the area affected by this Franchise, the City shall not be liable for any damages or loss to the Franchisee by reason of such vacation. The City shall use reasonable efforts to reserve an appurtenant easement for public utilities within the vacated portion of the Rights-of-Way within which Franchisee may continue to operate existing Facilities under the terms of this Franchise for the remaining period of the term set forth in Section 1.1. Notwithstanding the preceding sentence, the City shall incur no liability for failing to reserve such easement. The City shall notify Franchisee in writing not less than sixty (60) days before vacating all or any portion of any such area. The City may, after sixty (60) days' written notice to Franchisee, terminate this Franchise with respect to such vacated area.

Section 32. Notice. Any notice or information required or permitted to be given to the parties under this Franchise shall be sent to the following addresses unless otherwise specified by personal delivery, overnight mail by a nationally recognized courier, or by U.S. certified mail, return receipt requested and shall be effective upon receipt or refusal of delivery:

CITY OF MERCER ISLAND
 Attn: City Clerk
 9611 SE 36th Street
 Mercer Island, WA 98040
 Telephone: (206) 275-7600

Zayo Group, LLC
 Attn: General Counsel
 1805 29th Street
 Suite 2050
 Boulder, CO 80301

With a copy to:
 Zayo Group, LLC

{DPK2091338.DOCX;15/13045.000007/ }

Attn: Underlying Rights Dept.
 1805 29th Street
 Suite 2050
 Boulder, CO 80301

Emergencies:

Network Operations Center & Repair
 Phone: (888) 404 9296
 E-mail: zayoncc@zayo.com

Section 33. Severability. If any section, sentence, clause, or phrase of this Franchise should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Franchise unless such invalidity or unconstitutionality materially alters the rights, privileges, duties, or obligations, in which event either party may request renegotiation of those remaining terms of this Franchise materially affected by such court's ruling.

Section 34. Compliance with all Applicable Laws. Each party agrees to comply with all applicable present and future federal, state, and local laws, ordinances, rules, and regulations. This Franchise is subject to ordinances of general applicability enacted pursuant to the City's police powers. The City reserves the right at any time to amend this Franchise to conform to any enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare, or relating to roadway regulation, or a City ordinance enacted pursuant to such federal or state statute or regulation, when such statute, regulation, or ordinance necessitates this Franchise be amended in order to remain in compliance with applicable laws, but only upon providing Franchisee with thirty (30) days' written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, Franchisee makes a written request for negotiations regarding the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within thirty (30) days of the call for negotiations, either party may pursue any available remedies at law or in equity.

Section 35. Attorney Fees. If a suit or other action is instituted in connection with any controversy arising out of this Franchise, each party shall pay all its legal costs and attorney fees
 {DPK2091338.DOCX;15/13045.000007/ }

incurred in defending or bringing such claim or lawsuit, including all appeals, in addition to any other recovery or award provided by law; provided, however, nothing in this section shall be construed to limit the City's right to indemnification under Section 17 of this Franchise.

Section 36. Hazardous Substances. Franchisee shall not introduce or use any hazardous substances (chemical or waste), in violation of any applicable law or regulation, nor shall Franchisee allow any of its agents, contractors, or any person under its control to do the same. Franchisee will be solely responsible for and will defend, indemnify, and hold the City, its officers, officials, employees, agents, and volunteers harmless from and against any and all claims, costs, and liabilities including reasonable attorney fees and costs, arising out of or in connection with the cleanup or restoration of the property to the extent caused by Franchisee's use, storage, or disposal of hazardous substances, whether or not intentional, and the use, storage, or disposal of such substances by Franchisee's agents, contractors, or other persons acting under Franchisee's control, whether or not intentional.

Section 37. Licenses, Fees and Taxes. Prior to constructing any Facilities or providing Services within the City, Franchisee shall obtain a business or utility license from the City. Franchisee shall pay all applicable taxes on personal property and Facilities owned or placed by Franchisee in the Rights-of-Way and shall pay all applicable license fees, permit fees, and any applicable tax unless documentation of exemption is provided to the City and shall pay utility taxes and license fees properly imposed by the City under this Franchise.

Section 38. Miscellaneous.

38.1 The City and Franchisee respectively represent that their respective signatories are duly authorized and have full right, power, and authority to execute this Franchise on such party's behalf.

38.2 Any litigation between the City and Franchisee arising under or regarding this Franchise shall occur if in the state courts, in the King County Superior Court, and if in the federal courts, in the United States District Court for the Western District of Washington.

{DPK2091338.DOCX;15/13045.000007/ }

38.3 If this Franchise expires without renewal or is otherwise lawfully terminated or revoked, the City may, subject to applicable law:

(a) Allow Franchisee to maintain and operate its Facilities on a month-to-month basis, provided that Franchisee maintains insurance for such Facilities during such period and continues to comply with all terms contained in this Franchise; or

(b) The City may order the removal of any and all Facilities at Franchisee's sole cost and expense consistent with Section 19.

38.4 Section captions and headings are intended solely to facilitate the reading of this Franchise. Such captions and headings shall not affect the meaning or interpretation of the text within this Franchise.

38.5 Where the context so requires, the singular shall include the plural and the plural includes the singular.

38.6 Franchisee shall be responsible for obtaining all other required approvals, authorizations, and agreements from any party or entity and it is acknowledged and agreed that the City is making no representation, warranty, or covenant whether any of the foregoing approvals, authorizations, or agreements are required or have been obtained by Franchisee.

38.7 This Franchise is subject to all applicable federal, State and local laws, regulations and orders of governmental agencies as amended, including but not limited to the Communications Act of 1934, as amended, the Telecommunications Act of 1996, as amended and the Rules and Regulations of the FCC. Neither the City nor Franchisee waive any rights they may have under any such laws, rules or regulations.

38.8 There are no third-party beneficiaries to this Franchise.

38.9 This Franchise may be enforced at both law and in equity.

Section 39. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance,

{DPK2091338.DOCX;15/13045.000007/ }

including the correction of clerical errors; ordinance, section or subsection numbering; or references to other local, state or federal laws, codes, rules, or regulations.

Section 40. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND THIS ____ DAY OF _____, 2020; AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THIS ____ DAY OF _____, 2020.

Mayor

Attest: _____
City Clerk

APPROVED AS TO FORM:

City Attorney

PUBLISHED:

EFFECTIVE:

{DPK2091338.DOCX;15/13045.000007/ }

EXHIBIT A

Providing fiber optic cable to existing wireless communication antenna sites, which may be a rooftop location, cell tower or utility pole. Such operations are commercial only. The initial buildout locations are described below and depicted in the attached maps:

<u>ID</u>	<u>NAME</u>	<u>ADDRESS</u>
10092732	W MERCER TUNNEL	2250 60TH AVE SE
10092302	W MERCER	2748 61ST AVE SE
10092489	MERCER ISLAND	7900 SE 28TH ST
10098217	CLISE PARK	SE 39TH ST & 84TH AVE SE
10092497	EAST CHANNEL	9655 SE 36TH ST
10097866	MID-MERCER PSE	4621 ISLAND CREST WAY
10992517	MERCER CREST	5017 90TH AVE SE
10092519	SOUTH MERCER	8476 SE 68TH ST

{DPK2091338.DOCX;15/13045.000007/ }

EXHIBIT A

PROVIDING FIBER OPTIC CABLE TO THE SUPPORTING EQUIPMENT OF EXISTING WIRELESS COMMUNICATION ANTENNA SITES, WHICH MAY BE A ROOFTOP LOCATION, CELL TOWER, UG FACILITY OR UTILITY POLE. SUCH OPERATIONS ARE COMMERCIAL ONLY. THE INITIAL BUILDOUT LOCATIONS ARE DESCRIBED BELOW AND DEPICTED IN THE ATTACHED MAP.

EXISTING FACILITY LOCATIONS

- 1 10092489 - MERCER ISLAND
LAT: 47.585896, LONG: -122.232033
- 2 10092732 - WEST MERCER TUNNEL
LAT: 47.589198, LONG: -122.252898
- 3 10092302 - WEST MERCER
LAT: 47.585816, LONG: -122.250993
- 4 10098217 - CLISE PARK-PSE
LAT: 47.575726, LONG: -122.226827
- 5 10092497 - EAST CHANNEL
LAT: 47.576696, LONG: -122.209406
- 6 10097866 - MIDMERCER-PSE
LAT: 47.563180, LONG: -122.223074
- 7 10092517 - MERCER CREST
LAT: 47.556491, LONG: -122.220587
- 8 10092519 - SOUTH MERCER
LAT: 47.541620, LONG: -122.223899

LINETYPE LEGEND

- AERIAL ON EXISTING PSE POLE
(TOTAL FOOTAGE ~ 33,096 FT)
- AE — AE — AE — AE — AE —
- DIRECTIONALLY DRILL IN (3) 1.25"
(TOTAL FOOTAGE ~ 3,298 FT)
- UG···UG···UG···UG···UG···UG···

3				AS-BUILT
2				REVISION # 1
1	7/2/20	MF	KMB	ORIGINAL
NO.	DATE	ENGINEER	DRAFTER	COMMENT




ZAYO ENGINEER: MICHAEL ADAMS
 ENGINEERING FIRM: MGC TECHNICAL CONSULTING INC.
 PROJECT NAME: MERCER ISLAND OVERVIEW
 LOCATION: MERCER ISLAND OVERVIEW

PERMIT NUMBER: ZAYO MERCER ISLAND EXHIBIT
 DRAWING NAME: ZAYO - MERCER ISLAND - EXHIBIT.dwg
 CONFIDENTIAL/PROPRIETARY

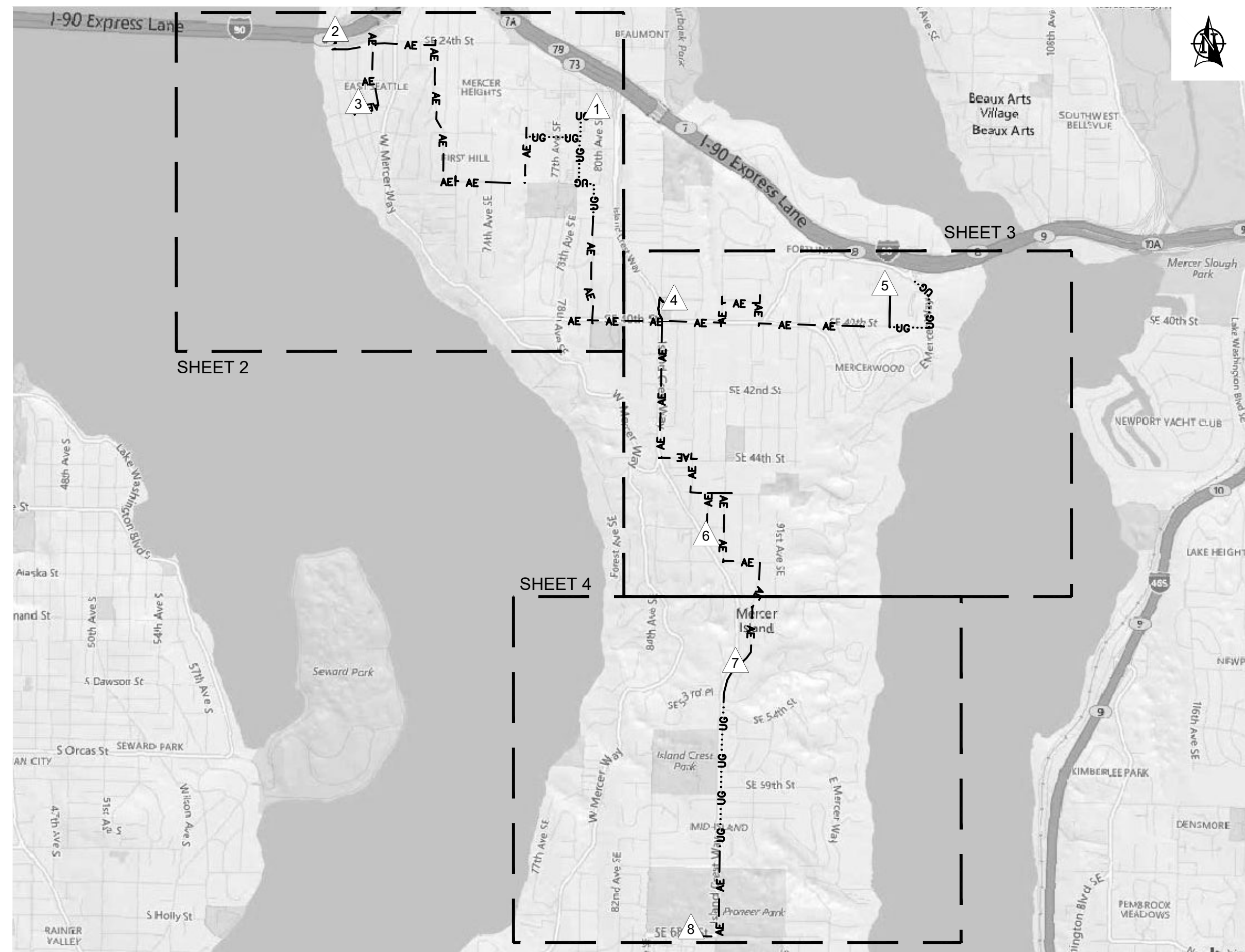


EXHIBIT A

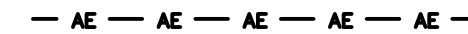
PROVIDING FIBER OPTIC CABLE TO THE SUPPORTING EQUIPMENT OF EXISTING WIRELESS COMMUNICATION ANTENNA SITES, WHICH MAY BE A ROOFTOP LOCATION, CELL TOWER, UG FACILITY OR UTILITY POLE. SUCH OPERATIONS ARE COMMERCIAL ONLY. THE INITIAL BUILDOUT LOCATIONS ARE DESCRIBED BELOW AND DEPICTED IN THE ATTACHED MAP.

EXISTING FACILITY LOCATIONS

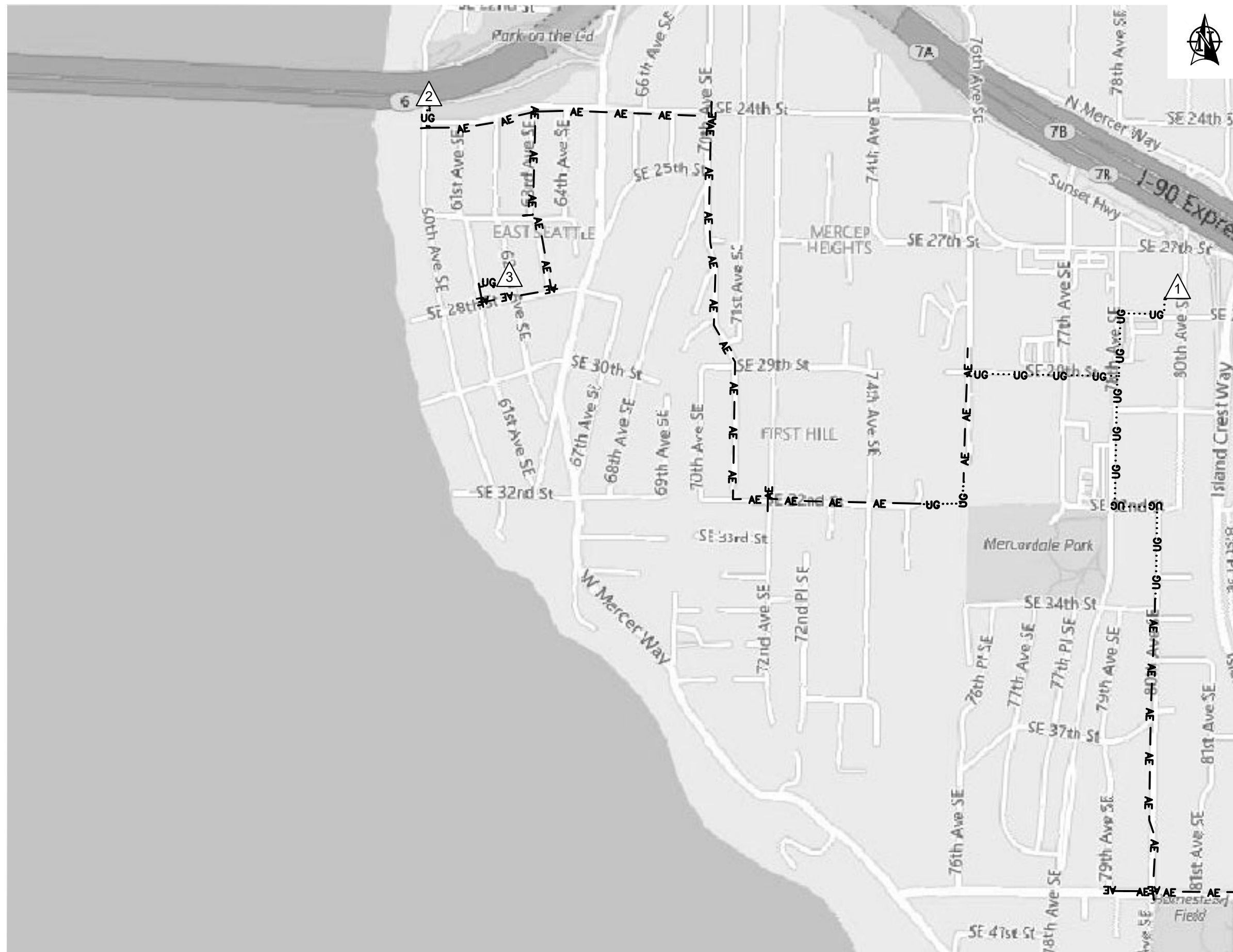
- 10092489 - MERCER ISLAND
① LAT: 47.585896, LONG: -122.232033
- 10092732 - WEST MERCER TUNNEL
② LAT: 47.589198, LONG: -122.252898
- 10092302 - WEST MERCER
③ LAT: 47.585816, LONG: -122.250993

LINETYPE LEGEND

AERIAL ON EXISTING PSE POLE (TOTAL FOOTAGE ~ 33,096 FT)



DIRECTIONALLY DRILL IN (3) 1.25" (TOTAL FOOTAGE ~ 3,298 FT)



MATCH TO SHEET 3

3				AS-BUILT
2				REVISION # 1
1	7/2/20	MF	KMB	ORIGINAL
NO.	DATE	ENGINEER	DRAFTER	COMMENT



ZAYO ENGINEER: MICHAEL ADAMS
 ENGINEERING FIRM: MGC TECHNICAL CONSULTING INC.
 PROJECT NAME: MERCER ISLAND OVERVIEW
 LOCATION: NORTH MERCER ISLAND

PERMIT NUMBER: ZAYO MERCER ISLAND EXHIBIT
 DRAWING NAME: ZAYO - MERCER ISLAND - EXHIBIT.dwg
 CONFIDENTIAL/PROPRIETARY SHEET: 2 OF 4

EXHIBIT A

PROVIDING FIBER OPTIC CABLE TO THE SUPPORTING EQUIPMENT OF EXISTING WIRELESS COMMUNICATION ANTENNA SITES, WHICH MAY BE A ROOFTOP LOCATION, CELL TOWER, UG FACILITY OR UTILITY POLE. SUCH OPERATIONS ARE COMMERCIAL ONLY. THE INITIAL BUILDOUT LOCATIONS ARE DESCRIBED BELOW AND DEPICTED IN THE ATTACHED MAP.


EXISTING FACILITY LOCATIONS

- △ 10098217 - CLISE PARK-PSE
LAT: 47.575726, LONG: -122.226827
- △ 10092497 - EAST CHANNEL
LAT: 47.576696, LONG: -122.209406
- △ 10097866 - MIDMERCER-PSE
LAT: 47.563180, LONG: -122.223074

LINETYPE LEGEND

- AERIAL ON EXISTING PSE POLE
(TOTAL FOOTAGE ~ 33,096 FT)
- AE — AE — AE — AE — AE —
- DIRECTIONALLY DRILL IN (3) 1.25"
(TOTAL FOOTAGE ~ 3,298 FT)
- ...UG...UG...UG...UG...UG...UG...UG...

3				AS-BUILT
2				REVISION # 1
1	7/2/20	MF	KMB	ORIGINAL
NO.	DATE	ENGINEER	DRAFTER	COMMENT

ZAYO ENGINEER: MICHAEL ADAMS
 ENGINEERING FIRM: MGC TECHNICAL CONSULTING INC.
 PROJECT NAME: MERCER ISLAND OVERVIEW
 LOCATION: EAST MERCER ISLAND

PERMIT NUMBER: ZAYO MERCER ISLAND EXHIBIT
 DRAWING NAME: ZAYO - MERCER ISLAND - EXHIBIT.dwg
 CONFIDENTIAL/PROPRIETARY



MATCH TO SHEET 2

MATCH TO SHEET 4

MATCH TO SHEET 3

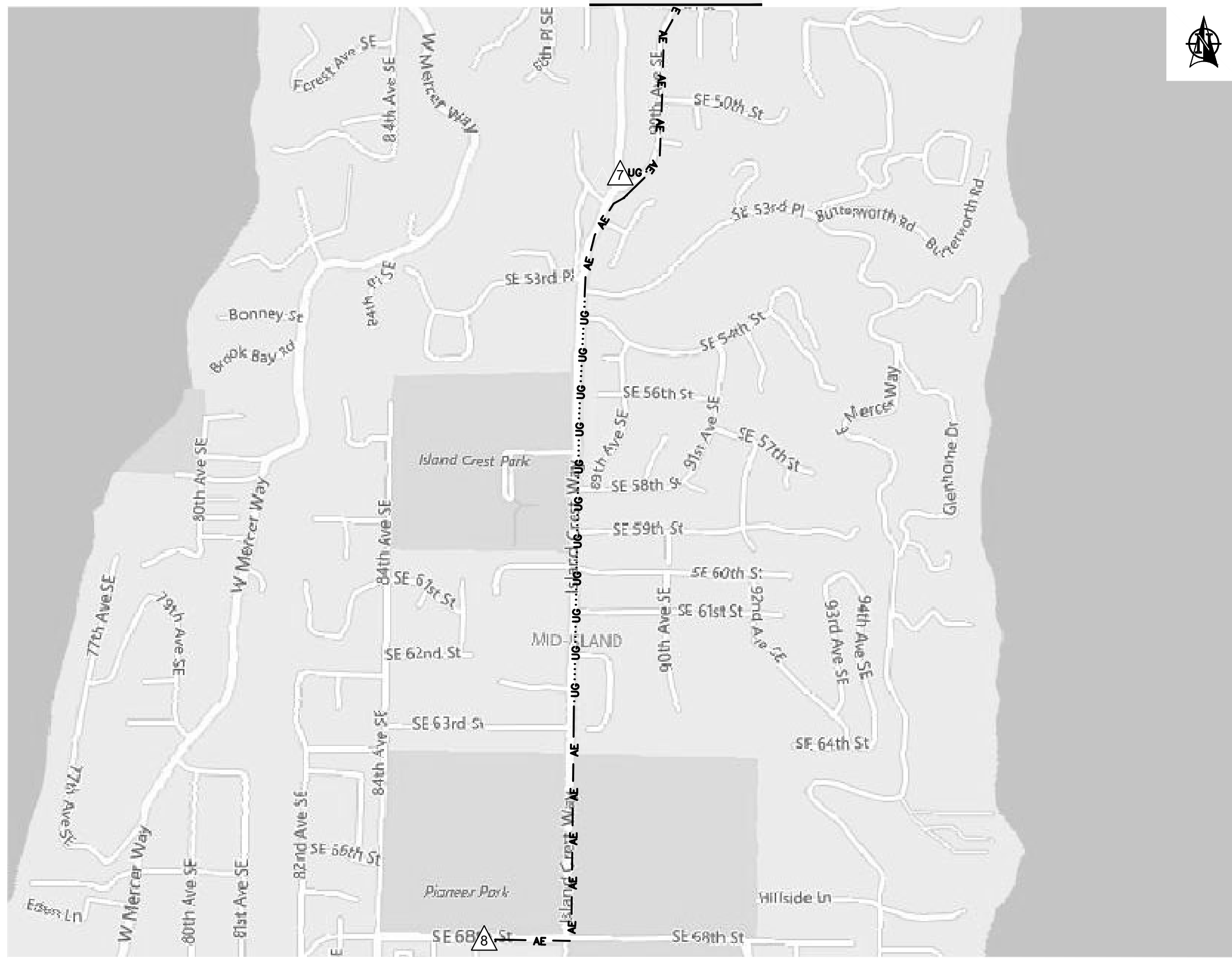


EXHIBIT A
 PROVIDING FIBER OPTIC CABLE TO THE SUPPORTING EQUIPMENT OF EXISTING WIRELESS COMMUNICATION ANTENNA SITES, WHICH MAY BE A ROOFTOP LOCATION, CELL TOWER, UG FACILITY OR UTILITY POLE. SUCH OPERATIONS ARE COMMERCIAL ONLY. THE INITIAL BUILDOUT LOCATIONS ARE DESCRIBED BELOW AND DEPICTED IN THE ATTACHED MAP.

- EXISTING FACILITY LOCATIONS**
- △ 7 10092517 - MERCER CREST
 LAT: 47.556491, LONG: -122.220587
 - △ 8 10092519 - SOUTH MERCER
 LAT: 47.541620, LONG: -122.223899

LINETYPE LEGEND

- AERIAL ON EXISTING PSE POLE
 (TOTAL FOOTAGE ~ 33,096 FT)
- AE — AE — AE — AE — AE —
- DIRECTIONALLY DRILL IN (3) 1.25"
 (TOTAL FOOTAGE ~ 3,298 FT)
- UG···UG···UG···UG···UG···UG···

3				AS-BUILT
2				REVISION # 1
1	7/2/20	MF	KMB	ORIGINAL
NO.	DATE	ENGINEER	DRAFTER	COMMENT

zayo GROUP **MGC**
 TECHNICAL CONSULTING INC.

ZAYO ENGINEER: MICHAEL ADAMS
 ENGINEERING FIRM: MGC TECHNICAL CONSULTING INC.
 PROJECT NAME: MERCER ISLAND OVERVIEW
 LOCATION: SOUTH MERCER ISLAND

PERMIT NUMBER: ZAYO MERCER ISLAND EXHIBIT
 DRAWING NAME: ZAYO - MERCER ISLAND - EXHIBIT.dwg
 CONFIDENTIAL/PROPRIETARY SHEET: 4 OF 4

EXHIBIT B

STATEMENT OF ACCEPTANCE

Zayo Group, LLC (“Zayo”) for itself, its successors and assigns, accepts and agrees to be bound by all lawful terms, conditions and provisions of the Franchise attached and incorporated by this reference. Zayo declares that it has carefully read the terms and conditions of this Franchise and unconditionally accepts all of the terms and conditions of the Franchise and agrees to abide by such terms and conditions. Zayo has relied upon its own investigation of all relevant facts and it has not been induced to accept this Franchise and it accepts all reasonable risks related to the interpretation of this Franchise.

Zayo Group, LLC

By: _____ Date: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF _____ Δ)
)SS.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____.

Notary Seal

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of
Washington
My appointment expires: _____

{DPK2091338.DOCX;15/13045.000007/ }

Ordinance No. 20C-20 (First Reading) Temporary Increase in Utility Tax Rate

AB 5747 | September 1, 2020



Impasse with Sound Transit on Design of Bus/Rail Interchange

- Council's resolve to enforce the terms of Settlement Agreement and prepare for litigation
- Temporary 36-month utility tax increase to finance cost of litigation
- Water, Sewer and Stormwater tax rates: 5.3% to 8.0%



Utility Tax Increase - Revenue Projections

COMBINED TOTAL - UTILITY TAX (in thousands)	2019	2020	2021	2022	2023
<i>Estimates based on 2019 rate updates for 2020:</i>					
Water Fund Revenue	\$7,401	\$7,803	\$8,227	\$8,674	\$9,146
Sewer Fund Revenue	\$9,732	\$10,032	\$10,575	\$10,927	\$11,422
Stormwater Fund Revenue	\$1,953	\$2,015	\$2,080	\$2,147	\$2,215
Total Subject to Utility Tax	\$19,085	\$19,850	\$20,882	\$21,747	\$22,783
Utility Tax @ 5.3%		\$1,052	\$1,107	\$1,153	\$1,207
2.70% Additional Utility Tax		\$536	\$564	\$587	\$615



Utility Tax Increase - Impact

Estimated utility bill of average single-family residence

Rate Component	2020
Water Meter	\$ 37
Water Usage (16 ccf)	\$ 88
Sewer Line Maint (11 ccf)	\$ 90
KC Sewage Treatment	\$ 91
Storm Water	\$ 36
Sub-Total Charge (bi-monthly)	\$ 342
Util Tax 5.3%	\$ 18
Util Tax 2.7%	\$ 9.23
Net Annual Impact	\$ 55.37



Interfund Loan

- \$1.5 million from Utility Fund(s) to General Fund
- Use additional revenue from utility tax to repay loan (30-36 months)
- Resolution authorizing interfund loan at September 15 Council Meeting



Interfund Loan Calculations

Simple Loan Calculator

Loan amount	\$ 1,500,000.00
Annual interest rate	1.00%
Start date of loan	11/1/2020
Monthly payment	\$ 42,312.15
Number of payments	36
Total interest	\$ 23,237.36
Total cost of loan	\$ 1,523,237.36



Recommendation

- Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.





BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5721
September 1, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5721: Board and Commission Vacancy Appointments	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Appoint members to fill vacant board and commission positions.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution

DEPARTMENT:	City Council
STAFF:	Deborah Estrada, City Clerk
COUNCIL LIAISON:	n/a
EXHIBITS:	1. City Council Rules of Procedure, Section 8 2. Board and Commission Vacancies 3. Resolution No. 1585
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

BACKGROUND

Each March the City begins its annual recruitment process for filling positions expiring on the City's advisory boards and commissions. An election was held June 2 and position vacancies were filled, leaving one vacant position on the Arts Council. Since that time, Utility Board member Mary Grady resigned on July 2 and Commissioner Lara Sanderson resigned from the Design Commission on July 8.

RECRUITMENT PROCESS

Notifications of the open recruitment process were sent to current board and commission members and individuals that applied during the Annual Recruitment period last spring. Position vacancies were also advertised across several platforms, including:

- City Website News Release
- City Manager Report
- Mercer Island Reporter Ad
- MI Weekly
- Social Media

Attached as Exhibit 2 is a list of the Board and Commission vacancies, the corresponding term, and the applicants that applied for each position. Please note that there were no applications for the vacant Arts Council position.

APPOINTMENT PROCESS

At its February 18, 2020 Regular Meeting, the City Council changed the board and commission appointment process (see Exhibit 1, [City Council Rules of Procedure](#), specifically Section 8.13 and 8.12, respectively) providing that when vacancies occur, they are filled for the unexpired terms in the same manner as described in Section 8.12. All appointments are made by a vote of the City Council during a regularly scheduled meeting. Each City Councilmember will complete a written ballot, casting a vote for the open seat on the Design Commission and Utility Board. Given that the City Council meetings are occurring virtually due to the COVID-19 Pandemic, ballots will be submitted to the City Clerk via email to comply with the Rules of Procedure.

The applicant that receives the most votes, provided he or she has received a minimum of four votes, will be appointed to the open seat on the Design Commission and Utility Board. The name of the applicants selected will be added to Resolution 1585 (see Exhibit 3), with final approval required by a vote of the City Council.

RECOMMENDATION

Approve Resolution No. 1585 appointing members to the Mercer Island Design Commission and Utility Board.

SECTION 8. CITY ADVISORY BOARDS AND COMMISSIONS

- 8.1** Mercer Island's advisory boards and commissions provide an invaluable service to the City. Their advice on a wide variety of subjects aids the City Council in the decision-making process. Effective citizen participation is an invaluable tool for local government.
- 8.2** These advisory bodies originate from different sources. Some are established by Title 3 of the Mercer Island City Code while others are established by motion or ordinance of the City Council. It is at the discretion of the City Council as to whether any advisory body should be established by ordinance. The following advisory boards and commissions are established:
- A.** Design Commission
 - B.** Planning Commission
 - C.** Utility Board
 - D.** Mercer Island Arts Council
 - E.** Open Space Conservancy Trust Board
 - F.** Parks & Recreation Commission
- 8.3** Each board and commission shall adopt rules of procedure (or bylaws) to guide governance of their board or commission, including the number of meetings unless set forth in a resolution or ordinance or unless the number of meetings adversely impacts City staff resources, as determined by the City Manager.
- 8.4** The City Council may dissolve any advisory body that, in their opinion, has completed its working function or for any other reason.
- 8.5** Lengths of terms vary from one advisory body to another, but in all cases overlapping terms are intended.
- 8.6** All meetings of advisory bodies are open to the public in accordance with Chapter 42.30 RCW, [Open Public Meetings Act](#), and require a minimum 24-hour advance notice.
- 8.7** Members may be removed, from any advisory board or commission, prior to the expiration of their term of office, in accordance with the provisions of the ordinance or resolution establishing such advisory board or commission.
- 8.8** All members of advisory boards and commissions shall sign the Code of Ethics Statement acknowledging and understanding the ethical principles which shall govern their conduct.
- 8.9** The City Council transmits referrals for information or action through the City Manager and the City Council liaison to the advisory boards and commissions. These advisory boards and commissions transmit findings, reports, etc., to the City Council through the City Manager and the City Council liaison.

- 8.10** The City Manager shall appoint City staff to assist advisory boards and commissions. City staff are not employees of that body and take direction only from his or her Department Director or the City Manager. Boards and commissions shall not direct City staff to perform research, gather information or otherwise engage in activities involving projects or matters that are not listed on the work plan unless approved by the City Council or City Manager.
- 8.11** Annually, staff for the Parks and Recreation Commission, Planning Commission and Open Space Conservancy Trust Board shall develop a draft work plan and present the work plan to the City Council for review, possible amendments, and approval.
- 8.12 Appointment Process.** Annually, the City Clerk will advertise for applicants to fill expiring positions on the boards and commissions as follows, unless otherwise provided by law:
- A.** Available positions are advertised.
 - B.** Once the application deadline has passed, all applications will be forwarded to the City Council for review.
 - C.** The City Clerk will include the appointment process on the agenda for the next regularly scheduled City Council meeting.
 - D.** The City Clerk will prepare a ballot for each board or commission, listing applicants alphabetically by last name.
 - E.** The voting process for appointment to each board and commission shall be as follows:
 1. Each City Councilmember completes a written ballot, casting a vote equal to the total number of open seats on the board or commission. For example, if there are two open seats, then each Councilmember has two votes, one for each seat.
 2. The City Clerk will collect the ballots and tally the votes and read aloud the outcome of the voting process.
 3. The applicants that received the most votes, provided they have received a minimum of four votes, will be appointed to the open seat(s) on the board or commission. In the event of a tie that must be resolved to determine who is seated among the majority vote getters, ties will be broken following the procedures of 8.12.E.5.
 4. If an insufficient number of applicants receive a minimum of four votes, a second round of voting will take place utilizing the following process:
 - a. Applicants that are not part of the tied block in the first round will be dropped from the ballot and Councilmembers will re-vote on the remaining applicants.
 - b. Voting will continue until an applicant(s) receives the four-vote minimum.
 5. If a tie exists after the first vote or in a subsequent round of voting, and a tiebreaker is necessary to make an appointment, a tiebreaker vote will be conducted utilizing the following process:
 - a. Councilmembers will vote on the applicants that are tied and all other applicants will be eliminated from the voting process.

- b. If after three successive votes a tie still exists, the names of all of the applicants that are tied will be put into a hat and the City Clerk will draw out one of the names. The name that is drawn will be appointed to the open seat on the board or commission sought by such applicant.
- 6. The Mayor may call for a recess at any time during the voting process to allow Councilmembers to caucus. Caution should be exercised during a caucus to avoid “serial meetings” as these types of discussions are not allowed under the Open Public Meetings Act.
- 7. The names of the applicant(s) selected will be added to a Resolution, with final approval required by a vote of the City Council.
- F. Letters will be sent to all applicants informing them of their appointment or thanking them for applying. Staff liaisons will contact new appointees in advance of the first board or commission meeting.

8.13 Vacancies.

- A. When vacancies occur, they are filled for the unexpired terms in the same manner as described in Section 8.12. The City Council will be notified of vacancies so they may encourage residents to apply.
- B. In the event a vacancy occurs mid-term, the City Council shall appoint a person to fill the unexpired term within 60 days.
- C. If the mid-term vacancy occurs for a position with six months or less remaining in the term, the City Council may elect to fill the unexpired term and the next four-year term concurrently.

8.14 Open Government Training Requirement. Within 90 days of the appointment to a board or commission, all new members must complete the Open Public Meetings Act training required by the Open Government Trainings Act and provide proof of completion of such training to the City Clerk.

8.15 City Council Liaison Roles & Duties. The Mayor (in consultation with the Deputy Mayor) may appoint a City Council liaison for certain boards or commissions. The City Council liaison shall report objectively on the activities of both the City Council and the advisory group. The specific duties of a City Council liaison are as follows:

- A. Attend meetings of the board or commission on a regular basis and sit at the table or dais, as applicable.
- B. Participate in discussion and debate of the board or commission, but not vote on any matter (except for the Open Space Conservancy Trust as the City Council Liaison is a voting member).
- C. Represent the majority City Council position, if known.
- D. Participate in a manner that will not intimidate or inhibit the meetings and operations of the board or commission. Make comments in a positive manner to promote positive interaction between the City Council and the board or commission.

- E.** Be prepared to give the City Council regular and timely reports at regular City Council meetings. Take the lead on discussion items before the City Council which pertain to the assigned board or commission.
- F.** With the Mayor and Deputy Mayor, provide input regarding potential candidates for appointment to the board or commission.

2020 Board & Commission Vacancies

BOARD OR COMMISSION	POS #	TERM EXP	APPOINTMENT
Arts Council	6	2020	
Design Commission	2	2023	
Utility Board	4	2021	

Application List

LAST, FIRST	BOARD/COMMISSION
(NONE)	Arts Council
Beerman, Jeanne	Design Commission
Granbois, Traci	Design Commission
Gilbert, Sarah	Utility Board
Granbois, Traci	Utility Board
Marshall, George	Utility Board

**CITY OF MERCER ISLAND, WASHINGTON
RESOLUTION NO. 1585**

**A RESOLUTION OF THE CITY OF MERCER ISLAND WASHINGTON APPOINTING
MEMBERS TO THE MERCER ISLAND DESIGN COMMISSION AND UTILITY BOARD**

WHEREAS, Mercer Island's advisory boards and commissions provide an invaluable service to the City and their advice on a wide variety of subjects aids the City Council in the decision-making process; and

WHEREAS, there is currently one vacancy on the Design Commission and one vacancy on the Utility Board; and

WHEREAS, the appointment for each board and commission is established by ordinance and is to be made by a vote of the City Council during a regularly scheduled meeting.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
MERCER ISLAND, WASHINGTON, AS FOLLOWS:**

Section 1. Appointment of Design Commission. Pursuant to MICC 3.34.030(C), the City Council hereby appoints the following individual to the Mercer Island Design Commission for the designated term hereafter set forth:

_____ Position #2 Term Expires May 31, 2023

Section 2. Appointment of Utility Board. Pursuant to MICC 3.52.030(C), the City Council hereby appoints the following individual to the Mercer Island Utility Board for the designated terms hereafter set forth:

_____ Position #4 Term Expires May 31, 2021

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Resolution, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Resolution be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Resolution or its application to other persons or circumstances.

**PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON,
AT ITS REGULAR MEETING ON SEPTEMBER 1, 2020.**

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 5747
September 1, 2020
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 5747: First reading of Ordinance No. 20C-20 temporarily increasing utility tax rates to raise additional revenue for potential litigation to enforce the terms of the City's 2017 Settlement Agreement with Sound Transit.	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Council
STAFF:	Jessi Bon, City Manager Bio Park, City Attorney Lajuan Tuttle, Deputy Finance Director
COUNCIL LIAISON:	
EXHIBITS:	1. Ord. No. 20C-20
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The City is preparing for potential litigation to enforce the terms of the City's 2017 Settlement Agreement ("Settlement Agreement") with Sound Transit. A temporary increase to the utility tax has been identified as the revenue source to offset the costs of litigation. Ordinance No. 20C-20 temporarily increases the utility tax rate on water, sewer, and stormwater utilities within Mercer Island from 5.3 percent to 8.0 percent for a 36-month period from November 1, 2020 through October 31, 2023. The temporary rate increase is estimated to generate \$1.5 million in new tax revenue.

Background

The City has a [Settlement Agreement](#) with Sound Transit that restricts the operation of buses serving regional commuters who will transfer to and from the future Mercer Island light rail station. The Settlement Agreement limits all passenger pick-up and drop-off, as well as bus layovers, to the south side of North Mercer Way. Layovers are further restricted to 15-minutes and only between the hours of 3:30 PM to 7:00

PM. Buses are restricted from circulating through Town Center, except in emergency situations. Finally, buses may not be scheduled to exceed the daily volumes designated in the Settlement Agreement.

For over a year, the City has expressed its disapproval of Sound Transit's plans to change the design and operations of the bus/rail interchange previously agreed to in the Settlement Agreement. Sound Transit's 60% plans and communications to-date regarding operations contradict the pick-up, drop-off, and layover restrictions in the Settlement Agreement. Representatives from the City of Mercer Island have met with Sound Transit representatives, including Sound Transit's CEO, in an attempt to resolve this dispute. In August, Sound Transit refused the City's good faith offer to engage in mediation as a final attempt to avoid litigation. Soon thereafter, the City Council issued its [message](#) to the Mercer Island community expressing the City Council's resolve to enforce the terms of the Settlement Agreement.

Unfortunately, the City has few tools at its disposal to finance the costs of litigation, however, one option is to implement a temporary utility tax rate increase. A temporary utility tax increase was the same approach the City used to fund the 2017 litigation with Sound Transit that led to the Settlement Agreement limiting Sound Transit's use of North Mercer Way for the bus/rail interchange.

Ordinance No. 20C-20

Ordinance No. 20C-20 temporarily increases the utility tax rate on water, sewer, and stormwater utilities within Mercer Island from 5.3% to 8.0% for a 36-month period from November 1, 2020 through October 31, 2023. The temporary rate increase is estimated to generate \$1,500,000 in new tax revenue. This new revenue will be used to pay for costs related to litigation to enforce the terms of the Settlement Agreement.

Initially, the City's General Fund will borrow from the City's utility funds through an interfund loan to pay for costs related to litigation. (The Resolution authorizing the interfund loan will be brought before the City Council concurrently with the second reading of Ordinance No. 20C-20.) The additional revenue from the utility tax increase will then be used to repay the loan, amortized for three years, from the General Fund to the utility funds.

If the City is able to resolve its dispute with Sound Transit without expending the full amount initially authorized, the interfund loan may be paid back early. Likewise, the City Council may adopt a new ordinance reducing the period of the temporary utility tax rate increase implemented by Ordinance No. 20C-20.

RECOMMENDATION

Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.

**CITY OF MERCER ISLAND
ORDINANCE NO. 20C-20**

AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON, TEMPORARILY INCREASING THE UTILITY TAX RATE IMPOSED ON AND COLLECTED FROM WATER, SEWER, AND STORMWATER UTILITIES CONDUCTING BUSINESS WITHIN THE CITY OF MERCER ISLAND PURSUANT TO THE PROVISIONS OF CHAPTER 4.12 MICC; AUTHORIZING EXCLUSIVE REFERENDUM PROCEDURE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Mercer Island is classified as a non-charter code city under Title 35A of the Revised Code of Washington (“RCW”); and

WHEREAS, RCW 35A.82.020 authorizes the City of Mercer Island to impose excises for regulation or revenue as to all places and kinds of businesses; and

WHEREAS, additional revenue is needed for potential litigation to enforce the terms of the City’s 2017 Settlement Agreement with Sound Transit, and related costs; and

WHEREAS, the Mercer Island City Council directed staff at its September 15, 2020 regular meeting to temporarily increase the utility tax rate on the City’s water, sewer, and stormwater utilities to generate additional tax revenue; and

WHEREAS, increasing the utility tax rate on water, sewer, and stormwater utilities within the City from 5.3 percent to 8.0 percent for a 36-month period from November 1, 2020 through October 31, 2023 is estimated to generate \$1,500,000 in new tax revenue;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment to Section 4.12.030. Subject to the effective date described below in section 5, subsections G, H and I of MICC 4.12.030 are amended as follows:

G. A tax equal to 8.0 percent effective ~~July 1, 2017, through December 31, 2018~~ November 1, 2020 through October 31, 2023, and a tax equal to 5.3 percent effective on and after ~~January 1, 2019~~ November 1, 2023, of the total gross income derived from the sale, delivery, distribution, furnishing or maintenance of water services for residential, commercial, or public consumption and for the privilege of carrying on said business, such tax to be based on the total gross income from such business in the city; provided, however, that there shall not be any tax levied for water service connection or installation charge;

H. A tax equal to 8.0 percent effective ~~July 1, 2017, through December 31, 2018~~ November 1, 2020 through October 31, 2023, and a tax equal to 5.3 percent

effective on and after ~~January 1, 2019~~ November 1, 2023, of the total gross income derived from the furnishing, operation, or maintenance of sewer services for residential, commercial, or public consumption and for the privilege of carrying on said business, such tax to be based on the total gross income from such business in the city; provided, however, that there shall not be any tax levied for sewer service connection or installation charges;

I. A tax equal to 8.0 percent effective ~~July 1, 2017, through December 31, 2018~~ November 1, 2020 through October 31, 2023, and a tax equal to 5.3 percent effective on and after ~~January 1, 2019~~ November 1, 2023, of the total gross income derived from the furnishing, operation, or maintenance of storm-water services for residential, commercial, or public use and for the privilege of carrying on said business, such tax to be based on the total gross income from such business in the city; provided, however, that there shall not be any tax levied for storm-water service fee-in-lieu or installation charges.

Section 2. Referendum Authorized. A referendum petition to repeal this ordinance may be filed with the City Clerk within seven days of passage of this ordinance. Within ten days of such filing, the City Clerk shall confer with the petitioner concerning form and style of the petition, issue an identification number for the petition, and cause to be written a ballot title for the measure. The petitioner shall have thirty (30) days in which to secure on petition forms the signatures of not less than fifteen (15) percent of the registered voters of the City as of the last municipal general election, upon petition forms that contain the ballot title and the full text of the measure to be referred, and to file the signed petitions with the City Clerk. The City Clerk shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the city or at a special election ballot as provided pursuant to RCW 35.17.260(2).

Section 3. Exclusive Referendum Procedure. The referendum procedure set forth in section 2, above, shall be the exclusive referendum procedure for the utility tax rate increase imposed herein, and shall supersede the procedures provided under chapters 35.17 and 35A.11 RCW and all other statutory or charter provisions for initiative or referendum which might otherwise apply.

Section 4. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property, or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance or its application to any other person, property or circumstance.

Section 5. Effective Date of Section 1. Section 1 of this ordinance shall take effect and be in full force on and after November 1, 2020, and shall supersede any prior tax rate imposed on the City’s water, sewer and stormwater utilities pursuant to MICC 4.12.060. Nothing contained herein shall affect the amount or collection of established rates, fees, and charges effective prior to November 1, 2020.

Section 6. Publication and Effective Date of Ordinance. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The effective date of section 1, as set forth above in section 5, notwithstanding, this ordinance shall take effect and be in full force five days after adoption and publication.

ADOPTED by the City Council of the City of Mercer Island, Washington, at its regular meeting on the 15th day of September, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND

Benson Wong, Mayor

APPROVED AS TO FORM:

ATTEST:

Bio Park, City Attorney

Deborah A. Estrada, City Clerk

Date of Publication:

Ordinance No. 20C-20 (First Reading) Temporary Increase in Utility Tax Rate

AB 5747 | September 1, 2020



Impasse with Sound Transit on Design of Bus/Rail Interchange

- Council's resolve to enforce the terms of Settlement Agreement and prepare for litigation
- Temporary 36-month utility tax increase to finance cost of litigation
- Water, Sewer and Stormwater tax rates: 5.3% to 8.0%



Utility Tax Increase - Revenue Projections

COMBINED TOTAL - UTILITY TAX (in thousands)	2019	2020	2021	2022	2023
<i>Estimates based on 2019 rate updates for 2020:</i>					
Water Fund Revenue	\$7,401	\$7,803	\$8,227	\$8,674	\$9,146
Sewer Fund Revenue	\$9,732	\$10,032	\$10,575	\$10,927	\$11,422
Stormwater Fund Revenue	\$1,953	\$2,015	\$2,080	\$2,147	\$2,215
Total Subject to Utility Tax	\$19,085	\$19,850	\$20,882	\$21,747	\$22,783
Utility Tax @ 5.3%		\$1,052	\$1,107	\$1,153	\$1,207
2.70% Additional Utility Tax		\$536	\$564	\$587	\$615



Utility Tax Increase - Impact

Estimated utility bill of average single-family residence

Rate Component	2020
Water Meter	\$ 37
Water Usage (16 ccf)	\$ 88
Sewer Line Maint (11 ccf)	\$ 90
KC Sewage Treatment	\$ 91
Storm Water	\$ 36
Sub-Total Charge (bi-monthly)	\$ 342
Util Tax 5.3%	\$ 18
Util Tax 2.7%	\$ 9.23
Net Annual Impact	\$ 55.37



Interfund Loan

- \$1.5 million from Utility Fund(s) to General Fund
- Use additional revenue from utility tax to repay loan (30-36 months)
- Resolution authorizing interfund loan at September 15 Council Meeting



Interfund Loan Calculations

Simple Loan Calculator

Loan amount	\$ 1,500,000.00
Annual interest rate	1.00%
Start date of loan	11/1/2020
Monthly payment	\$ 42,312.15
Number of payments	36
Total interest	\$ 23,237.36
Total cost of loan	\$ 1,523,237.36



Recommendation

- Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.





BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5741
September 1, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5741: Revenue Forecast and Second Quarter Financial Status Report	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Receive the September Revenue Forecast; review and adopt Ordinance No. 20-19 amending the 2019-2020 budget to incorporate Phase 3 cost saving measures.	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Finance
STAFF:	Matthew Mornick, Interim Finance Director
COUNCIL LIAISON:	n/a
EXHIBITS:	<ol style="list-style-type: none"> 1. General Fund Revenue Forecast 2. Phase 3 Cost Saving Measures - Budget Amending Ordinance No. 20-19 3. Second Quarter Financial Status Report
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUESTED	\$ n/a

SUMMARY

EXECUTIVE SUMMARY

Just after the COVID-19 Pandemic (“Pandemic”) took hold in the Puget Sound region in April, staff projected a \$4.7 million revenue shortfall in the General Fund (15%) by the end of 2020. Since then, staff has worked closely with the City Council to preserve critical services, safeguard City resources amidst economic uncertainty, and remain responsive to the community’s changing needs during the Pandemic.

With time and additional information, the September forecast now projects a \$3.4 million revenue shortfall in the General Fund (as opposed to \$4.7 million in May). Coupled with three phases of cost saving measures implemented between March and June that reduced the 2020 expenditure budget by \$3.8 million, and so long as revenues remain steady, staff projects a balanced General Fund at year-end.

This agenda bill provides a financial status update focused on the City’s revenues, which includes the second quarter Financial Status Report (see Exhibit 3). The revenue forecast provides an outlook on City finances through year-end and serves as the foundation for the 2021-2022 Proposed Preliminary Budget the City Manager will transmit to the City Council at the end of September.

BACKGROUND

Prior Council Action

On May 5, 2020 staff presented [AB 5687](#) to the City Council, which included an updated 2020 General Fund forecast resulting from the economic contraction caused by the Pandemic and immediate cost savings measures implemented in March and April. The presentation also included estimated costs associated with the ongoing emergency response.

In April 2020, staff projected a \$4.7 million revenue shortfall in the General Fund (15%) by the end of 2020.

Staff returned to the City Council on June 2, 2020 with [AB 5694](#) to amend the adopted budget and memorialize changes resulting from the Phase 1 and Phase 2 cost saving measures. Collectively these efforts reduced the General Fund by \$2.79 million, establishing a new baseline budget.

The City Council took further action authorizing use of the Compensated Absences Reserve for accrued benefit cash-outs (per City policy or Collective Bargaining Agreements) resulting from recent employee layoffs or separations as well as establishing an Unemployment Reserve to mitigate the burden of unpredictable post-employment expenses in the General Fund and the YFS Fund.

The City Council also authorized use of Contingency Funds to support the City's ongoing Pandemic response through year-end and in [AB 5700](#), provided one-time gap funding for Youth and Family Services (YFS) while a working group of City Councilmembers, Mercer Island Youth and Family Services (MIYFS) Foundation Board Members, and City staff explore ongoing funding measures to sustain YFS services.

On June 9, 2020, staff presented [AB 5701](#) to the City Council, outlining a third phase of one-time strategies to reduce expenses coupled with ongoing cost saving measures that amounted to over \$1 million in expenditure savings in 2020. Budget amending Ordinance No. 20-19 (see Exhibit 2) memorializes the Phase 3 cost saving measures approved by the City Council, along with other budget adjustments since early June, into the baseline budget.

These combined efforts have established a new baseline budget that will inform the 2021-2022 biennial budget process.

Note on Timing of Agenda Bills

The General Fund revenue forecast outlined below includes the new baseline budget resulting from Phase 1 and Phase 2 cost saving measures adopted in early June. Budget reductions in proposed Ordinance No. 20-19 are not reflected in the current financial status report or revenue forecast.

FINANCIAL STATUS UPDATE

In keeping with staff's efforts to provide the City Council with quarterly updates on the City's financial position, Exhibit 3 includes financial results for revenue and expenditure categories through June 30, 2020. The budget reflected in the financial status report includes budget amendments adopted by ordinance through June 2, 2020.

Based on the financial data through the month of June, the City has collected \$14.9 million in General Fund revenues, or 48.2 percent of the revenue budget as amended. Property tax is performing well, and general sales tax and utility taxes are tracking better than anticipated when last reviewed in April. Total General Fund revenues are \$1.4 million less than at the end of the second quarter 2019. The shortfall, as compared to

2019, is driven by anticipated declines in recreation, licenses, permitting and land use revenues resulting from Pandemic impacts to City operations.

General Fund expenditures are within budget estimates at the end of June. Total expenditures of \$14.8 million are 48.3% of the budget as amended. Total expenditures are \$1.1 million less than the same period in 2019 reflecting the phased expenditure reductions that began in late May of 2020. Ordinance 20-19 memorializes phase three reductions, bringing the total cost saving measures to \$3.8 million. Salary and Benefit costs are on track at 50% of the amended budget at the mid-point of the year. Other services and charges, which includes insurance, utilities, jails, and intergovernmental costs, are approaching the 50% expectation but still below the prior year spend. All other expenditure categories are well below budget for the mid-point of the year. It is expected that all categories will remain within budget expectations through the end of the year and no reductions beyond phase three are currently anticipated.

General Fund Expenditures (in millions)	Actual June 30, 2019	2020 Budget as Amended	Actual June 30, 2020	% of Budget
Salary & Benefits	\$11.67	\$22.30	\$11.26	50.5%
Supplies	0.31	0.96	0.27	27.9%
Contract Services	0.64	1.98	0.63	31.8%
Other Services & Charges	2.72	4.98	2.47	49.6%
Interfund Transfers Out	0.46	0.41	0.13	31.7%
Total Expenditures	\$15.80	\$30.63	\$14.75	48.2%

The City's Water, Sewer, and Stormwater Utility funds are operating well within budget expectations. Capital projects across the utility funds continue, though at a slower pace than originally anticipated due to the impacts of the Pandemic and the decrease in staffing levels.

In the YFS Fund total revenues are 22.2% of the amended budget at the end of June, down \$684,000 from the same period in 2019. The Pandemic caused the Thrift Shop and Luther Burbank Administration Building to close along with most City facilities in March 2020 severely limiting the ability of the YFS Fund to generate revenue. Expenditures for the YFS Fund are at 37.8% of budget at quarter end, reflecting the impact of phased reductions that began in early May. Budget amending Ordinance 20-19 will be the first to memorialize expenditure reductions in the YFS Fund and will bring the budget in line with actual spending levels.

All other operating and capital funds of the City are within budget expectations, and there are no significant variances to either revenue or expenditures.

REVENUE FORECAST

The revenue forecast projects the City's current year financial position, as well as the subsequent biennium, in preparation for 2021-2022 budget deliberations. Referred to as the September revenue forecast, it is based on budget actuals through June 30.

Revenue forecasting requires staff to make assumptions based on the best data available at the time and then adjust as new information becomes available.

Lags in the availability of data creates some uncertainty in the forecast, which is already challenging due to the unprecedented nature of the Pandemic. Staff continues to refer to the best local data available and track regional economic activity to formulate assumptions about the trajectory of the economy and in turn, the City's financial position.

Although Washington’s economy began to slowly re-open in May per the Governor’s Safe Start phased approach, many businesses remained closed or under limited operations. Re-opening efforts in urban economic centers that took place through June are best described as restrained, as allowed under Phase 2 of Washington’s Safe Start plan.

Trends at the National level mirror the back and forth efforts to stem the spread of the virus and re-open the economy. Even as nearly one million Americans file new state claims for unemployment benefits each week, the stock market is touching record highs. Hotels and airports are almost empty, and many restaurants remain closed, but home building is strong and national retail sales are tracking at levels that preceded the Pandemic.

The cross currents in the economy are striking, adding to the importance of a sound revenue forecast to navigate the high levels of uncertainty about the future. While the City saw some upticks in revenues in the second quarter (i.e. sales tax), it is unclear how long business operations will be limited, whether additional shutdowns lie ahead, whether the Federal government will expand support for individuals, businesses, and government entities struggling financially, and how long it will take the economy to recover. One way or the other, each factor will significantly impact the City’s future financial performance, underlining staff’s commitment to reference new information and adjust the forecast accordingly.

GENERAL FUND

In May 2020, staff projected a \$4.7 million revenue shortfall in the General Fund (15%) by the end of 2020. With additional perspective from second quarter actuals, staff is revising the General Fund forecast and now projecting a budget revenue shortfall of \$3.4 million (11%) at the end of 2020 as summarized in the table below.

General Fund	2019 Adopted Budget	2020 Adopted Budget	2020 Forecast (APR)	2020 Forecast (SEP)
Revenues	\$32.4 M	\$32 M	\$27.4 M	\$28.7 M

Slight differences may occur due to rounding

On the opposite side of the ledger, the three phases of cost saving measures reduced the 2020 expenditure budget by \$3.8 million, amending the General Fund baseline expenditure budget from \$31.9 million to \$28.1 million. With the revenues and expenditure changes described above, staff estimates a positive \$630,000 General Fund balance at year end – an amount adequate to cover the unbudgeted 27th pay period expense of \$588,000. This unbudgeted expense was previously referenced in [AB 5676](#) and is now reflected in Ordinance No. 20-19 (see Exhibit 2).

The remainder of the agenda bill focuses on the details of the year-end and the 2021-2022 revenue forecasts. The table below provides a summary of the revenue forecast by category and anticipates minor General Fund revenue improvements for the coming biennium, with revenues projected to increase from \$28.7 million in 2020 to \$29 million in 2021 and \$30.9 million in 2022.

Overall, property tax is performing well and general sales tax and utility taxes are tracking better than anticipated in April, while most other revenue categories (License, Permit, and Zoning Fees, Parks and Recreation revenues, Thrift Shop revenues, and Business and Occupation Taxes, among others) are performing worse – mainly due to the duration of the shutdown of City operations.

001 - GENERAL FUND	2020 Adopted Budget	2020 Forecast (SEPT)	2021 Forecast (SEPT)	2022 Forecast (SEPT)
REVENUE				
01-PROPERTY TAX	12,717,185	12,388,533	12,826,705	13,137,101
02-GENERAL SALES TAX	5,098,849	4,791,662	4,791,662	5,031,245
03-UTILITY TAXES	4,660,869	4,584,167	4,567,527	4,536,895
04-LICENSE, PERMIT, AND ZONING FEES	3,345,634	2,086,836	2,267,616	2,234,541
05-B&O TAXES	662,171	565,113	508,602	483,172
06-PARK AND RECREATION	1,592,900	350,688	111,022	1,572,836
07-EMS REVENUES	1,391,867	1,391,867	1,423,530	1,443,853
08-COST ALLOCATION	751,222	751,222	777,133	780,382
09-INTERFUND TRANSFERS	-	15,685	-	-
10-SHARED REVENUES	1,205,849	1,189,837	1,181,772	1,186,111
11-MUNICIPAL COURT	346,604	214,402	262,619	257,367
12-MISCELLANEOUS REVENUES	223,200	315,502	223,500	223,500
13-INTEREST EARNINGS	25,604	24,407	24,554	24,701
TOTAL REVENUES & SOURCES	32,021,954	28,669,922	28,966,243	30,911,703

Summary of General Fund Revenue Impacts by Revenue Category

The revised September forecast projects a \$3.4 million revenue shortfall in the General Fund through the end of 2020 because of the economic contraction caused by the Pandemic. The following analysis addresses the underlying assumptions and anticipated impacts to revenues within the General Fund.

Property Tax

As Exhibit 1 demonstrates, the 2020 Adopted Budget assumed \$12.7 million in property tax revenue, representing 40% of total General Fund revenues. This is a relatively stable revenue source. The May forecast assumed a 3% reduction due to the increased potential for non-payment. Although revenues through June are tracking with 2020 estimates, the forecast conservatively maintains the 3% reduction in property tax revenues through the end of the year.

Property tax in Washington state is due April and October each calendar year. Revenues collected through June align with pre-Pandemic financial assumptions. October will be the first period where non-payments may become a factor.

For 2021 and 2022, the forecast assumes the City will assess a property tax increase of the statutorily allowed 1% of the previously levied amount (i.e. 2020 Adopted) plus new construction each year.

	2020 Adopted	MAY Forecast	SEP Forecast	Difference	2021 Forecast	2022 Forecast
Property Tax	\$12,717,185	12,363,273	12,388,533	(328,652)	12,826,705	13,137,101

Sales Tax

The 2020 Adopted Budget assumed \$5.1 million in sales tax revenue, representing 16% of total General Fund revenues. Sales tax revenue is susceptible to economic contractions. Between 2008 – 2010, the City’s sales tax revenues experienced a 22% decline. The May forecast assumed a 20% reduction in sales tax through May, then a 13% reduction through the remainder of the year, with a specific focus on business sectors most impacted by the Pandemic, including construction, retail, and food services.

Based on sales tax revenue data through June, revenues are up 1% compared to 2019. Although April through June revenues were 8% lower compared to the same period in 2019, this low performance was counterbalanced by the strong revenues January through March, when revenues were 13% higher than the same period in 2019.

Although the Sales Tax numbers for the first half of 2020 are better than expected, there is still reason for caution given the uncertainties of the Pandemic and the resulting economic impacts. The September forecast assumes a 6% decline in sales tax for 2020 (in contrast to the previous projection which included a 22% decline through May, and 13% decline thereafter through year-end). Long-term, the forecast assumes sales tax revenues remain flat through 2021, and rebound 5% in 2022.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
General Sales Tax	\$5,098,849	4,228,902	4,791,662	(307,187)	4,791,662	5,031,245

Utility Taxes

The 2020 Adopted Budget assumed \$4.6 million in utility tax revenues, representing 15% of total General Fund revenues. This revenue stream is, for the most part, not subject to economic volatility. The September forecast assumes minor improvements given utility tax revenues through June are tracking with 2020 adopted budget estimates. Staff anticipates a 2% revenue decrease in 2020, due to declines in telephone and cellular sectors. For 2021 and 2022, revenues are projected to remain relatively flat.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Utility Taxes	\$4,660,869	4,271,542	4,584,167	(76,702)	4,567,527	4,536,895

License, Permits, and Zoning Fees

The 2020 Adopted Budget assumed \$3.3 million in license, permit, and zoning revenues, representing 10% of total General Fund revenues. Revenue tied to development services is highly technical to predict given the variation between when City services are provided and when payment for these services is received.

The Community Planning and Development (CPD) Department’s 2019 year-end revenues were 20% below 2019 budget estimates for the year. This downward trend accelerated through the second quarter of 2020 – revenues through June are 28% lower compared to 2019 levels.

CPD staff anticipate this 18-month downward trend to carry through 2020. At present, a handful of large development projects are in the pipeline and may move forward, while routine permit applications have slowed. Given these factors, this forecast assumes a 38% decline in permit revenues through the end of 2020, which represents a \$1.3 million shortfall at year-end.

Staff anticipates specific multi-family project activity will move forward in 2021 and 2022, which directly informs the revenue projections below.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
License, Permit, & Zoning Fees	\$3,345,634	2,109,780	2,086,836	(1,258,798)	2,267,616	2,234,541

Business and Occupation Taxes

The 2020 Adopted Budget assumed \$660,000 in business and occupation (B&O) tax revenue, representing 2% of total General Fund revenues. B&O tax is paid annually unless a business earns greater than \$1 million annually in gross receipts, in which case the tax is paid quarterly. Most B&O tax receipts are received on an annual basis, filed before April 15 for the year prior.

The business community has been significantly impacted by the impacts of the Pandemic. Several local businesses have closed, and many have curtailed operations. The September forecast assumes a 15% decline in B&O taxes in 2020, a 10% decline in 2021, and a 5% decline in 2022.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
B&O Taxes	\$662,171	607,137	565,113	(97,058)	508,602	483,172

Parks and Recreation

The 2020 Adopted Budget assumed \$1.6 million in Parks and Recreation revenues, representing 5% of total General Fund revenues. These include revenues from community center rentals, recreation programming, and park facility rentals.

Park and Recreation revenues are significantly impacted by the Pandemic. When the April forecast was prepared, staff assumed recreation operations and programming would resume in September. Shortly after publication, staff revised the forecast and assumed operations would most likely be suspended through the end of the year.

The Parks and Recreation revenue forecast on the next page is challenging considering the uncertainty around the timing of resuming services. Staff are working on a recovery plan and anticipate presenting a strategy to the City Council in early 2021 that addresses a phased re-opening approach for recreation services. For the purposes of this forecast, the current assumption is that limited parks and recreation revenue will be received in 2021. If services are allowed to resume sooner than that, the City Council may approve a budget amending ordinance. For 2022, the forecast projects revenues akin to levels earned between 2016-2018.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
P&R Revenues	\$1,592,900	581,523	350,688	(1,242,212)	111,022	1,572,836

Emergency Medical Service (EMS) Revenues

The 2020 Adopted Budget assumed \$1.4 million for EMS revenues, representing 4% of total General Fund revenues. This utility charge is adjusted each year based on the average cost of four firefighter positions, which were hired in 1996 to provide capacity to handle simultaneous EMS calls. Because utility charges will

continue, the assumption includes no change in 2020, with adjustments in 2021 and 2022 based on historical trends for the four firefighter positions.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
EMS Revenues	\$1,391,867	1,391,867	1,391,867	-	1,423,530	1,443,853

Cost Allocation

The 2020 Adopted Budget assumed \$751,000 for this revenue stream, representing 2% of total General Fund revenues. These revenue categories recover overhead costs from the Utility Funds through internal transfers between Funds. Because of the technical nature of these revenues, this forecast assumes no change through the end of the year, and in 2021 and 2022 revenues will increase based on assumptions for salaries, benefits, and facility costs. For now, the estimates for 2021 and 2022 are based on historical trends and will be fine-tuned as work continues on the 2021-2022 Proposed Preliminary budget in the coming month.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Cost Allocation	\$751,222	751,222	751,222	-	777,133	780,382

Shared Revenues

The 2020 Adopted Budget assumed \$1.2 million in shared/intergovernmental revenues, representing 4% of total General Fund revenues. This category combines a variety of revenues and includes State shared tax revenues, grants, and the agreement with WSDOT for landscape services in Aubrey Davis Park.

After reviewing second quarter actuals, the revised forecast reflects a modest 1% decrease through the end of the year. For 2021, a minor decline is projected, and then revenues remain relatively flat in 2022. This is because most shared revenues are not affected by the current economic contraction.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Shared Revenues	\$1,205,849	980,650	1,133,115	(72,734)	1,181,772	1,186,111

Municipal Court Revenues

The 2020 Adopted Budget assumed \$347,000 in General Fund revenue collected from fines, forfeitures, fees, costs, and penalties associated with the enforcement of local and State law. Because Court revenues are highly dependent on caseload and the Municipal Court has been closed since March, the May forecast assumed a 35% revenue shortfall through year-end. Though the Court re-opened at the end of August, the September forecast projects a 38% revenue shortfall through the end of the year. Staff assumes the Court will earn revenues in 2021 on par with recent historical trends between 2017-2019, and in 2022 earn 2% less than the prior year.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Municipal Court	\$346,604	217,692	214,402	(132,202)	262,619	257,367

Miscellaneous Revenues

The 2020 Adopted Budget assumed \$223,000 in miscellaneous revenues in the General Fund. This category includes a variety of revenues. The current projection is \$90,000 above 2020 budget estimates by year-end resulting from payments for judgment settlements and disability reimbursements received in the first half of the year. These revenues were not in the 2020 adopted budget.

The September forecast projects the revenue will remain flat in 2021 and 2022.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Misc. Revenues	\$223,200	<i>223,200</i>	315,502	92,203	223,500	223,500

Interest Earnings

The 2020 Adopted Budget assumed \$26,000 in General Fund revenue from interest earned on the City's Law Enforcement Officer and Firefighter (LEOFF) I Long-Term Care Reserve. The City pools its cash and invests it in various instruments authorized by State law. Most of the City's cash is invested in the Washington State Local Government Investment Pool and in U.S. Treasury and Agency obligations. The City's LEOFF I reserve assumed 1.6% interest earnings in 2020. Given the recent economic contraction, the assumption was revised to align with the projected yield experienced in the Local Government Investment Pool and projects a 5% reduction from 2020 adopted budget estimates by year-end. The forecast projects the revenue stream will remain relatively flat in 2021 and 2022.

	2020 Adopted	<i>MAY Forecast</i>	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Interest Earnings	\$25,604	<i>14,181</i>	24,407	1,197	24,554	24,701

General Fund Expenditures

The 2020 Adopted Expenditure Budget was \$31.9 million. Should the City Council adopt budget amending ordinance 20-19, the cumulative effect of the phased cost saving measures will reduce the 2020 expenditure budget by \$3.8 million resulting in a new General Fund baseline budget of \$28.1 million.

OTHER FUND REVENUE SOURCES

The Pandemic is also impacting other City revenues outside the General Fund. The following details additional revenue streams impacted by the Pandemic and corresponding assumptions through year-end and into the next biennium.

Real Estate Excise Tax (REET)

Revenues from Real Estate Excise Tax (REET) are used to support the City's Street and Capital Improvement Funds. This is a revenue stream that is susceptible to swings in the real estate market.

Homes sold on Mercer Island in the first half of the year were keeping pace with 2019 sales. However, the current available inventory of property for sale is down 45% percent on average compared to 2019 inventory, which speaks to the high demand on a limited supply of available properties for sale. At the end of June, REET revenues were 42% of 2020 budget estimates, buoyed by the sale of the former Farmer's property in Town Center, which generated \$230,000 in April.

Given the limited inventory of properties for sale, the current projection is an 8% decrease in REET revenue at year-end. This projection is informed by the average price of homes sold in 2020 to date, the number of homes sold, and the number of homes sold in the second half of the year based on historical trends. The forecast projects a 0.5% increase in REET revenues in 2021 and a 3% increase in 2022.

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
REET	\$3,844,000	3,534,221	(309,779)	3,686,721	3,795,838

Mercer Island Thrift Shop

The 2020 Adopted Budget assumed \$1.97 million in Thrift Shop revenues, representing 65% of revenues in the Youth and Family Service (YFS) Fund. The Thrift Shop closed March 16 and is anticipated to remain closed through the end of the year.

Thrift Shop revenues are challenging to forecast given the ongoing Pandemic impacts to retail businesses and the overall uncertainty around the timing of re-opening the store. Staff are working with stakeholders on potential scenarios for a phased re-opening. Many factors play into safely and successfully re-opening the Thrift Shop – including the changing Pandemic retail business environment, questions regarding the Thrift Shop remodel and its impact on operations, and what will happen to donation volumes if the regional community decreases retail consumption.

Given the current uncertainty, and for the purposes of the September forecast, the assumption is that no revenue will be received in 2021. If services are allowed to resume sooner, the forecast will be updated, and the City Council asked to approve a budget amending ordinance. For 2022, the forecast assumes revenues equal to levels earned between 2016-2018.

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Thrift Shop	\$1,969,320	363,619	(1,605,701)	0	1,697,434

Charges for Services

The 2020 Adopted Budget assumed \$319,000 in revenues from additional YFS services, representing 11% of YFS Fund revenues. These revenues include fees from family counseling services as well as the Mercer Island School District's \$60,000 contribution support to the school counseling program.

The forecast assumes reduced revenues based on second quarter (post-Pandemic) actuals from family counseling services through the remainder of the year and anticipates those revenues will remain flat into the next biennium.

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Charges for Services	\$319,000	161,741	(157,259)	161,000	161,000

Donations and Miscellaneous

The 2020 Adopted Budget assumes \$354,000 in donation revenues, including those from the MIYFS Foundation, representing 12% of YFS Fund revenues. Donations include revenues earmarked for emergency assistance support, senior services, and general YFS program support. The MIYFS Foundation donation also

includes funds to support a 2020 budget amendment that restored a half-time Geriatric Specialist position within the YFS Department.

The Pandemic has greatly hindered the City's ability to fund Youth and Family Services, largely due to the closure of the Thrift Shop and limitations on re-opening retail operations safely and profitably.

In July, the City accepted \$102,600 of the MIYFS Foundation's generous one-time offer to contribute \$815,000 to the YFS Fund. The portion accepted restores some services through the end of the year. Acceptance of the remaining \$712,400 donation was deferred to support YFS services in the 2021-2022 biennium.

The September 2020 forecast assumes the City will receive donations committed through the end of the year, similar commitments in 2021 and 2022, and receipt of the \$712,400 in 2021 to support School Counseling services through the end of the 2020-2021 school year.

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Donations and Misc.	\$362,139	455,479	93,340	1,020,400	318,000

Other YFS Fund Revenues

The 2020 Adopted Budget assumes \$445,203 in other revenues, representing 13% of YFS Fund Revenues. These include King County and Federal grant funds, as well as interest earned from the YFS Endowment. Grant funds are received upon receipt of invoices. Any unspent funds carry-over to the next fiscal year for the life of the grant.

The September forecast assumes no change to this revenue stream through year-end, and projects similar revenues in 2021 and 2022.

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Other Revenues	\$445,203	445,203	-	446,000	446,000

Fund Balance Implications

The City's Contingency Fund is \$3,575,992 million. As part of the 2019-2020 budget process, the City Council increased the target funding level from 10% to 12.5% of General Fund budgeted expenditures. The current balance of uncommitted funds in the Contingency Fund is 11% of the adopted 2020 expenditure budget.

NEXT STEPS

This revenue forecast will form the foundation for the 2021-2022 Proposed Preliminary Budget which the City Manager will transmit to the City Council the end of September. During these uncertain times, staff is committed to closely monitoring financial data as it becomes available and will revise the forecast and notify the City Council and the community as circumstances change.

RECOMMENDATION

1. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
2. Adopt Ordinance No. 20-19 amending the 2019-2020 budget to memorialize Phase 3 cost saving measures.

General Fund Revenues

Forecast - Pending Further Analysis

Prepared September 1, 2020

001 - GENERAL FUND	2020 Adopted Budget	FY 2020												2020 Forecast (SEPT)	Difference from Adopted	2021 Forecast (SEPT)	2022 Forecast (SEPT)	
		JAN Actuals	FEB Actuals	MAR Actuals	APR Actuals	MAY Actuals	JUN Actuals	JUL Estimates	AUG Estimates	SEP Estimates	OCT Estimates	NOV Estimates	DEC Estimates					
REVENUE																		
01-PROPERTY TAX	12,717,185	26,697	249,894	677,964	3,194,484	1,581,563	1,064,965	27,699	41,895	180,760	3,853,854	1,445,583	43,174	12,388,533	(328,652)	12,826,705	13,137,101	
02-GENERAL SALES TAX	5,098,849	537,188	415,849	331,686	426,469	365,202	411,284	423,969	378,620	362,850	400,444	378,806	359,294	4,791,662	(307,187)	4,791,662	5,031,245	
03-UTILITY TAXES	4,660,869	341,430	274,227	642,239	222,526	236,923	554,391	228,264	302,788	639,817	245,437	280,629	615,496	4,584,167	(76,702)	4,567,527	4,536,895	
04-LICENSE, PERMIT, AND ZONING FEES	3,345,634	207,807	157,817	111,588	192,593	154,193	161,122	158,264	184,726	109,056	238,139	181,988	229,543	2,086,836	(1,258,798)	2,267,616	2,234,541	
05-B&O TAXES	662,171	-	9,680	1,507	41,753	63,106	-	49,415	21,773	674	43,341	46,686	287,179	565,113	(97,058)	508,602	483,172	
06-PARK AND RECREATION	1,592,900	95,390	105,561	18,335	11,311	17,555	26,847	17,119	17,170	13,415	12,092	10,220	5,673	350,688	(1,242,212)	111,022	1,572,836	
07-EMS REVENUES	1,391,867	90,130	53,661	222,691	49,878	89,579	183,142	99,189	56,382	209,619	63,780	170,332	103,483	1,391,867	0	1,423,530	1,443,853	
08-COST ALLOCATION	751,222	62,602	62,602	62,602	62,602	62,602	62,602	64,309	64,309	64,309	64,309	64,309	54,064	751,222	0	777,133	780,382	
09-INTERFUND TRANSFERS	-	-	-	-	-	-	15,685	-	-	-	-	-	-	15,685	15,685	-	-	
10-SHARED REVENUES	1,205,849	-	56,110	48,735	9,592	56,592	404,686	15,262	59,864	52,648	9,317	62,284	414,746	1,189,837	(16,012)	1,181,772	1,186,111	
11-MUNICIPAL COURT	346,604	19,216	23,564	12,897	5,814	9,744	10,263	7,845	25,804	25,389	30,342	21,185	22,340	214,402	(132,202)	262,619	257,367	
12-MISCELLANEOUS REVENUES	223,200	48,690	33,276	33,829	39,616	57,254	19,189	29,449	2,277	13,070	14,577	9,455	14,820	315,502	92,302	223,500	223,500	
13-INTEREST EARNINGS	25,604	79,929	65,981	(136,758)	37,174	29,178	(62,206)	343	353	5,191	314	316	4,593	24,407	(1,197)	24,554	24,701	
TOTAL REVENUES & SOURCES	32,021,954	1,509,079	1,508,222	2,027,315	4,293,812	2,723,491	2,851,970	1,121,128	1,155,963	1,676,798	4,975,945	2,671,793	2,154,406	28,669,922	(3,352,032)	28,966,243	30,911,703	
TOTAL EXPENDITURES & USES	31,899,988	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-19**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,
INCORPORATING CERTAIN BUDGET REVISIONS TO THE 2019-2020
BIENNIAL BUDGET AND AMENDING ORDINANCE NOS. 18-18, 19-08, 19-09,
19-12, 19-17, 20-06, 20-08 AND 20-09**

WHEREAS, the City Council adopted the 2019-2020 Budget by Ordinance No. 18-18 on December 4, 2018, representing the total for the biennium of estimated resources and expenditures for each of the separate funds of the City; and

WHEREAS, budget adjustments are needed that have been previously approved by the City Council, as noted in the following table; and

Fund	Department	Description	Agenda Bill	Budget Year	Expenditure Adjustment	Revenue Adj / Funding Source
Youth & Family Services	YFS	Phase 1 and Phase 2 Reductions	AB5687 5/05/2020	2020	\$ (914,000)	Decrease Thrift Shop Revenue
Youth & Family Services	YFS	Accept MIYFS Foundation donation to restore Counseling services in 2020	AB5727 7/21/2020	2020	\$ 102,600	MIYFS Foundation
Technology & Equipment	Police	ALPR Pilot Project	AB5718 7/21/2020	2020	\$ 23,336	Federal Seizure Reserves
CIP	Parks	King County WaterWorks Grant	AB5675 4/20/2020	2020	\$ 29,220	Grant Funding
Contingency	Non-Departmental	Reduce Contingency Support of Emergency Operations	AB5717 7/21/2020	2020	\$ (388,100)	
General	All	Salary & Benefit impact of 27th Payroll in 2020	AB5676 4/07/2020	2020	\$ 588,000	General Revenue/Cost Savings
General	Non-Departmental	Port of Seattle Economic Development Partnership Grant	AB5693 5/19/2020	2020	\$ 24,470	Grant Funding
General	All	Phase 3 Reductions - 2020 Fleet Replacement Contribution	AB5701 6/09/2020	2020	\$ (277,200)	
General	All	Phase 3 Reductions - Departmental One Time Savings	AB5701 6/09/2020	2020	\$ (519,000)	
General	Municipal Court	Phase 3 Reductions	AB5701 6/09/2020	2020	\$ (13,000)	

Fund	Department	Description	Agenda Bill	Budget Year	Expenditure Adjustment	Revenue Adj / Funding Source
General	CPD	Phase 3 Reductions	AB5701 6/09/2020	2020	\$ (267,000)	
General	Fire	BLS Core Services	AB5715 7/07/2020	2020	\$ 20,277	KCEMS Levy
General	Non-Departmental	Reduce Contingency Support of Emergency Operations	AB5717 7/21/2020	2020	\$ (388,100)	Reduce Interfund Transfer from Contingency
General	Non-Departmental	CARES Act Funding in support of Emergency Operations Coronavirus Response	AB5717 7/21/2020	2020	\$ 734,100	CARES Act Funds

WHEREAS, budget adjustments are needed that have not been previously approved by the City Council, as noted in the following table; and

Fund	Department	Description	Budget Year	Amount	Funding Source
Youth & Family Services	YFS	Appropriate Donations Received for Food Pantry Emergency Assistance	2020	\$ 36,500	Donor Designated Food Pantry Donations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Amending the 2019-2020 Budget

The 2019-2020 Budget for the City of Mercer Island, as adopted in Ordinance No. 18-18 and amended by Ordinance Nos. 19-08, 19-09, 19-12, 19-17, 20-06, 20-08 and 20-09, is hereby amended to incorporate increases and decreases in resources and expenditures in the following funds for the 2019-2020 biennium:

Fund	Fund Name	Resources	Expenditures
001	General Fund	\$ (97,453)	\$ (97,453)
130	Contingency Fund	\$ (388,100)	\$ (388,100)
160	Youth & Family Services	\$ (774,900)	\$ (774,900)
343	Capital Improvement	\$ 29,220	\$ 29,220
345	Technology & Equipment	\$ 23,336	\$ 23,336
Total		\$ (1,207,897)	\$ (1,207,897)

Section 2. Amending Previously Adopted Budget Ordinances

City Ordinance Nos. 18-18, 19-08, 19-09, 19-12, 19-17, 20-06, 20-08 and 20-09, as previously adopted and as hereby amended, are hereby ratified, confirmed, and continued in full force and effect.

Section 3. Effective Date

This Ordinance shall take effect and be in force 5 days after passage and publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON THE 1st DAY OF SEPTEMBER 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

APPROVED AS TO FORM:

Bio Park, City Attorney

Date of Publication: _____

INTRODUCTION

The Financial Status Report provides a summary budget to actual comparison of revenues and expenditures for the General Fund and all other Funds from January through June 2020.

This report is comprised of the following three sections:

- General Fund
- Utility Funds
- All Other Funds

It should be noted that, where significant, revenues are recognized when earned, regardless of when cash is received, and expenditures are recognized when a liability has been incurred or when resources have been transferred to another Fund. Beginning Fund balance represents net excess resources from a prior year that have been appropriated to Fund budgeted expenditures in the current year.

SEPTEMBER 1, 2020

FINANCIAL STATUS REPORT

AS OF JUNE 30, 2020

2020 General Fund
Adopted Revenue Budget
\$32.4 million

Amended Revenue Budget
\$31.3 million

Revenue Actuals
as of June 30,
\$ 14.9 million (47.6% of
amended budget)

Adopted Expenditure Budget
\$31.9 million

Amended Expenditure Budget
\$30.6 million

Expenditure Actuals
as of June 30,
\$14.7 million (48.2% of
amended budget)

Contingency Fund Balance
\$4.2 million

GENERAL FUND

Revenues

Overall, General Fund revenues fell slightly short of amended budget estimates at the end of June primarily due to the COVID-19 Pandemic (Pandemic). The table below lists 2020 adopted revenue budget as well as year to date actuals, and year to date actuals as a percentage of the amended budget. Prior year actuals are presented for comparative purposes. The budget and actual amounts are for the first six months of the calendar year, through the end of June. Additional detail regarding primary General Fund revenues and material variances from the amended budget is provided in the table below.

GENERAL FUND: Revenues As of June 30, 2020

General Fund Revenues (in thousands)	2020 Original Budget	2020 Budget as Amended	Prior Year to Date 6/30/2019	Year to Date 6/30/2020	% of Budget
Property Tax	\$12,717	\$12,717	\$6,879	\$6,796	53.4%
Utility Taxes	\$4,238	\$4,238	\$2,032	\$2,049	48.4%
<i>Sales Tax - General</i>	<i>\$4,349</i>	<i>\$4,349</i>	<i>\$2,134</i>	<i>\$2,152</i>	<i>49.5%</i>
<i>Sales Tax - Criminal Justice</i>	<i>\$750</i>	<i>\$750</i>	<i>\$364</i>	<i>\$336</i>	<i>44.8%</i>
License, Permit & Zoning	\$3,690	\$3,081	\$1,601	\$1,207	39.2%
Municipal Court	\$347	\$347	\$141	\$81	23.5%
Parks & Recreation	\$1,620	\$385	\$669	\$275	71.4%
Shared Revenues	\$1,186	\$1,186	\$486	\$576	48.5%
EMS Revenues	\$1,392	\$1,399	\$675	\$689	49.2%
B&O Taxes	\$662	\$662	\$146	\$116	17.5%
Cost Allocation-Overhead	\$751	\$751	\$365	\$376	50.0%
Miscellaneous Revenue	\$223	\$223	\$228	\$232	103.9%
Interest Earnings	\$26	\$26	\$19	\$13	51.9%
Transfer from Contingency Fu	\$0	\$796	\$608	\$16	N/A
Total Revenues	\$ 31,950,319	\$ 30,909,854	\$ 16,346,428	\$14,913,889	48.2%
Beginning Fund Balance	790,798	407,105	0	0	0.0%
Total Resources	\$ 32,741,117	\$ 31,316,959	\$ 16,346,428	\$ 14,913,889	47.6%

General sales tax is 49.5 percent of budget at the end of June and within the expected 50 percent threshold. Because of the delay in receiving sales tax from the State, actual numbers are recognized one month later than they happen (i.e. June numbers are representative of May sales). Construction has historically been the largest component of sales tax revenue but retail and wholesale trade now represents an almost equal share of total revenue. The following table compares sales tax revenue by business sector through June for 2019 and 2020.

2019-2020 General Sales Tax Revenue by Business Sector (in thousands)						
Business Sector	Year to Date 6/30/2019	Year to Date 6/30/2020	Increase / (Decrease)	% of Total		
				2019	2020	Sector Totals Change
Construction	\$814	\$729	(\$85)	38.1%	33.9%	-4.3%
Retail & Wholesale Trade	\$626	\$715	\$89	29.3%	33.2%	3.9%
Admin & Support Services	\$163	\$185	\$23	7.6%	8.6%	1.0%
Food Services	\$113	\$102	(\$12)	5.3%	4.7%	-0.6%
Telecommunications	\$69	\$71	\$2	3.2%	3.3%	0.1%
Finance/Insurance/Real Estate	\$77	\$87	\$10	3.6%	4.0%	0.4%
Professional, Scientific & Tech	\$78	\$80	\$2	3.7%	3.7%	0.1%
All Other Sectors	\$194	\$183	(\$11)	9.1%	8.5%	-0.6%
Total	\$2,134	\$2,152	\$18	100.0%	100.0%	

Criminal Justice sales tax is at 44.5 percent of budget at the end of June. This revenue is closely tied to county wide sales numbers which are down this year due to the Pandemic.

Utility taxes are 48.4 percent of budget at the end of June. This revenue category is below the 50 percent threshold primarily due to the downward trend in the cellular utility tax. The decrease in cellular utility tax reflects the continued downward trend resulting from a highly competitive business environment, the popularity of texting over talking, and the exclusion of data plans from utility taxes.

Business & occupation (B&O) tax is 17.5 percent of budget at the end of June. This is normal as most of the City's registered businesses file an annual, rather than quarterly, B&O tax return. Annual B&O tax payments for 2020 are due by April 15, 2021, a change implemented in late 2019 as a result of state legislation, see [HB 1059](#).

Shared revenues are 48.5 percent of budget at the end of the second quarter. Major revenue sources include State shared taxes; hazardous waste grants; the I-90 corridor landscape maintenance revenue from the Washington State Department of Transportation; vessel registration fees received from the state through King County; the marine patrol services contract revenue from the City of Renton; and financial support for the School Resource Officer received from the Mercer Island School District. Timing of these revenues is variable throughout the year, with most expected in the third and fourth quarters of 2020. All are within budget estimates at this point in the year.

Parks and Recreation revenues are 71.4 percent of the amended budget at the end of June. The Pandemic caused the Mercer Island Community and Events Center (MICEC) to close along with most City facilities in March 2020. Expected revenues were reduced to reflect the anticipated operations impact on MICEC through the end of 2020. Anticipated sources of revenue through the end of the year include limited athletic field rentals.

License, permit, and zoning fees are 39.2 percent of the amended budget at the end of June. This revenue category consists of fees related to development, business licenses, and a cable franchise. The Pandemic caused City Hall, the main processing center for permits and licenses, to close along with most City facilities in March 2020. The Governor's stop construction order was lifted in late April when the City's

permitting process was moved entirely online. This revenue stream is lagging compared to prior years due to the Pandemic.

Court fines are 23.5 percent of budget at the end of June. Revenues continue to fall below budget due to a decrease in court filings beginning in 2019 and carrying over into 2020. Additionally, the Pandemic caused the court to close along with all other City facilities in March 2020. The Court re-opened at the end of August.

Miscellaneous Revenue is 103.9 percent of budget due to higher than expected employee disability reimbursement revenues, which were received from the Washington State Department of Labor and Industries. These revenues are a result of the buy-back policy the City has with active employees that qualify for time-loss compensation through the Department of Labor and Industries.

All other revenues are within expected norms through the first six months of the year.

Expenditures

Overall, General Fund expenditures are within budget estimates at the end of June. The table below summarizes the 2020 adopted expenditure budget as well as year to date actuals, and year to date actuals as a percentage of the amended budget. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of June. Additional detail of material variances from the amended budget are discussed following the table.

GENERAL FUND: Expenditures As of June 30, 2020

General Fund Department	Year to Date 6/30/2019	2020 Original Budget	2020 Budget as Amended	Year to Date 6/30/2020	% of Budget
City Attorney's Office	\$ 370,389	\$ 812,503	\$ 783,496	\$ 320,051	40.8%
City Council	25,406	64,674	55,808	22,490	40.3%
City Manager's Office	607,670	1,107,682	1,060,148	465,428	43.9%
Community Planning & Development	1,582,547	3,501,508	3,300,923	1,610,516	48.8%
Finance	474,273	996,845	939,982	350,630	37.3%
Fire	3,353,493	6,655,407	6,833,123	3,453,818	50.5%
Human Resources	308,253	651,867	626,364	341,626	54.5%
Information & Geographic Services	69,132	133,256	129,248	69,774	54.0%
Municipal Court	217,802	492,393	479,457	210,116	43.8%
Non-Departmental	1,309,810	2,072,899	3,350,889	1,670,079	49.8%
Parks & Recreation	2,410,774	5,954,286	3,408,595	1,744,625	51.2%
Police	3,660,647	7,681,195	7,597,944	3,644,066	48.0%
Public Works	858,340	1,949,402	1,680,816	719,527	42.8%
Total Expenditures	\$ 15,248,536	\$ 32,073,917	\$ 30,246,793	\$14,622,745	48.3%
Interfund Transfers	441,528	667,200	358,200	130,100	36.3%
Total Expenditures + Interfund Transfers	\$ 15,690,064	\$ 32,741,117	\$ 30,604,993	\$ 14,752,845	48.2%

In reviewing expenditures by department, the following are noteworthy:

The Human Resources Department is at 54.5 percent of amended budget at the end of June. The higher than expected actual costs are the result of one-time expenditures associated with prior year corrections in employee retirement reporting.

The Information & Geographic Services Department has expended 54 percent of amended budget compared to an expected 50 percent at June 30. This is primarily due to two annual software system payments that occur in January and April.

The Parks & Recreation Department is at 51.2 percent of the amended budget at the end of June. This number reflects the cost saving measures implemented in response to the financial impacts of the Pandemic. The Parks Maintenance Department, which is still in operation, is well below expected expenditures at this time of the year.

The Finance Department is at 37.3 percent of amended budget at the end of June. The much lower than anticipated costs are a result of salary savings across multiple positions in the department. Contract service expenditures are at 36.5 percent of budget due to the timing of the annual financial audit which typically occurs in the third and fourth quarters.

All other expenditures are below or within expected norms through the end of June.

UTILITY FUNDS

At the end of June, all three utility Funds are within expected norms for operating revenues and expenditures.

Revenues

The table below lists the 2020 revenue budget, January through June actuals and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of June. There were no Pandemic-related budget amendments to the Utility Funds. Additional detail of major variances is discussed following the table.

UTILITY FUND: Revenues
As of June 30, 2020

Revenue Category	Prior Year to Date 6/30/19	2020 Original Budget	Year to Date 6/30/20	% of Budget
Operating Revenues				
Water Utility	3,425,974	7,889,090	3,605,359	45.7%
Sewer Utility	4,841,222	10,069,991	5,029,408	49.9%
Storm Water Utility	1,014,036	2,155,485	1,035,631	48.0%
Interest Earnings				
Water Utility	128,209	174,000	91,106	52.4%
Sewer Utility	58,333	71,181	35,328	49.6%
Storm Water Utility	45,663	50,600	28,297	55.9%
Total Revenues	\$ 9,513,437	\$ 20,410,347	\$ 9,825,129	48.1%

Water, Sewer, and Storm Water Utility operating revenues are within expected norms given the seasonality of utility revenues. Adopted rate increases that became effective January 1, 2020 result in the dollar increases as compared to 2019 revenues for the same period.

Interest earnings for the Water and Storm Utility Funds exceeded budget expectations due to higher than expected return on investments in the first six months of the year. The Sewer Fund was slightly below expected budget numbers as local government investment pool yields began to decline heading into the third quarter.

Expenditures

The table below lists the 2020 amended expenditure budget by utility Fund and category, year to date actuals and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of June. Additional information regarding notable variances is discussed below.

UTILITY FUND: Expenditures
As of June 30, 2020

Category	Year to Date 6/30/19	2020 Original Budget	2020 Budget as Amended	Year to Date 6/30/20	% of Budget
Operating Expenditures					
Water Utility	1,833,833	5,131,018	5,301,818	1,889,787	35.6%
Sewer Utility	3,340,200	7,290,427	7,956,654	3,616,768	45.5%
Storm Water Utility	589,431	1,465,039	1,527,939	598,910	39.2%
Capital Projects					
Water Utility	821,845	5,935,948	5,760,318	246,241	4.3%
Sewer Utility	203,651	3,453,762	3,427,962	456,168	13.3%
Storm Water Utility	129,255	1,136,723	1,123,823	264,095	23.5%
Debt Service					
Water Utility	16,427	730,847	730,847	15,479	2.1%
Sewer Utility	489,158	1,337,720	1,337,720	480,818	35.9%
Storm Water Utility	-	-	-	-	N/A
Total Expenditures	\$ 7,423,800	\$ 26,481,484	\$27,167,080	\$ 7,568,266	28%

Operating expenditures are well below the 50 percent threshold primarily due to:

- Water purchased for resale, which is water purchased from Seattle Public Utilities (SPU) based on usage from metered connections, is at 25 percent of budget. Despite seasonality of water consumption this is lower than prior year experience due to a delay in invoicing from SPU, meaning June's numbers are not yet included in this line.
- All three utility Funds are experiencing service impacts due to the Pandemic which are resulting in lower than expected expenditures for consumable supplies as well as repair and maintenance services.

Capital projects continue to be below budget projections in 2020. The unspent budget allocation for the utility capital program is a result of staff spending a significant amount of time responding to the Pandemic and on pre-construction phases of the SCADA System Upgrade and Meter Replacement projects, thus delaying work on other capital projects in 2020.

The SCADA System Upgrade is currently in design, but progress has been slowed due to key staff vacancies and system complexities. The SCADA system supports both water and sewer operations. Design is expected to continue into the second half of 2020.

The Meter Replacement project has also been slowed due to key staff vacancies. This project aims to replace the aging water meters throughout the City, more than 60% of which are 15 years or older. It will implement new Advanced Metering Infrastructure (AMI) technologies that will integrate with the SCADA System Upgrade to better support future system analysis and operations. The City has identified its first-choice vendor for the project and will work towards negotiating a contract in the second half of 2020.

Although these projects have minimal expenditures to date, they are well underway. Other projects, like the Water Main Replacements along SE 34th St/94th Ave SE/97th Ave SE began construction in June and will continue through the Summer months. Additionally, the Watercourse Stabilization project is slated for construction this summer with work on Sub-basins 29.2 and 3b.4.

ALL OTHER FUNDS

Revenues

The table below lists the 2020 amended revenue budget, end of June actuals and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of June. Additional detail of major variances is discussed following the table.

As of June 30, 2020

Fund Name	REVENUE				
	Year to Date 6/30/2019	2020 Original Budget	2020 Budget as Amended	Year to Date 6/30/2020	% of Budget
Self Insurance Claim	0	10,000	10,000	-	N/A
Youth Services Endowment	2,828	3,500	3,500	1,696	48.5%
Street	1,337,244	3,210,098	3,350,619	951,299	28.4%
Contingency	221,570	320,574	1,366,574	120,413	8.8%
1% for the Arts	-	17,000	31,465	-	N/A
Youth & Family Services	1,556,922	2,871,835	3,939,513	872,844	22.2%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	320,900	839,700	839,700	317,350	37.8%
Town Center Parking Facilities	315,838	-	-	-	0.0%
Capital Improvement	1,314,377	2,734,712	2,761,392	1,127,598	40.8%
Technology & Equipment	165,497	322,500	322,500	125,000	38.8%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	844,336	1,365,628	1,365,628	650,826	47.7%
Computer Equipment	521,388	1,512,766	1,338,243	529,469	39.6%
Firemen's Pension	55,099	94,000	94,000	53,724	57.2%

Street Fund revenues are at 28.4 percent of amended budget at the end of June reflecting the loss of both Multimodal Transportation state shared revenue and revenues generated by the Mercer Island Transportation Benefit District as a result of state Initiative 976. The injunction that stopped the initiative from taking effect after it was approved by voters in November 2019 has remained in place.

The Washington State Supreme Court heard oral arguments for the case challenging I-976 on June 30, 2020. If upheld, I-976 will reduce State and local transportation revenue by repealing the authority of City and Transportation Benefit Districts to use vehicle license fees as a revenue source. The City's Street Fund will lose an estimated \$410,000 annually.

Youth & Family Services Fund: Total revenues are 22.2 percent of amended budget at the end of June, down \$684,000 from the same period in 2019. The Pandemic caused the Thrift Shop and Luther Burbank Administration Building to close along with most City facilities in March 2020 severely limiting the ability of the YFS Fund to generate revenue. The increase in budgeted revenue can be explained by the beginning fund balance at the start of 2020 being appropriated to keep the Fund cash positive. Revenue reductions from the City's cost saving measures will be reflected in the YFS Fund in the third quarter.

Capital Improvement Fund revenues are 40.8 percent of amended budget at the end of June. The primary revenue source for the Capital Improvement Fund is Real Estate Excise Tax (REET). Total REET revenues through the end of June are \$886,000. Sales of properties valued between \$100,000 and \$5 million are down from 211 in 2019 to 173 in 2020.

Technology & Equipment Fund: Total revenues are at 38.8 percent of budget at the end of June. There is a \$58,000 transfer currently budgeted from the General Fund that will not occur this year because of cost saving reductions in response to the Pandemic. This brings total revenues in line with expectations through the first half of the year.

Equipment Rental Fund revenues are at 47.7 percent of budget at the end of June. This is slightly behind mid-year expectations because the salvage value the City earns from surplus vehicle sales is behind expected amounts. This is due to staff's decision to not move forward on purchasing many of the vehicles and equipment scheduled for replacement in 2020.

All other revenues are within expected norms through the end of June.

Expenditures

The table below lists the 2020 amended expenditures budget by Fund, end of June actuals and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of June. Additional detail of major variances is discussed following the table.

As of June 30, 2020

Fund Name	EXPENDITURE				
	Year to Date 6/30/2019	2020 Original Budget	2020 Budget as Amended	Year to Date 6/30/2020	% of Budget
Self Insurance Claim		10,000	10,000	-	N/A
Youth Services Endowment	-	3,500	3,500	-	0.0%
Street	431,425	3,210,098	3,356,507	762,182	22.7%
Contingency	912,758	-	1,046,000	15,685	N/A
1% for the Arts	1,050	15,000	29,465	27,207	92.3%
Youth & Family Services	1,470,250	2,844,145	3,332,398	1,259,977	37.8%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	30,900	839,700	839,700	22,350	2.7%
Town Center Parking Facilities	125,478	-	358,876	59,878	16.7%
Capital Improvement	730,668	2,549,045	2,575,725	310,889	12.1%
Technology & Equipment	86,314	287,000	287,000	142,478	49.6%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	574,501	1,649,995	1,682,912	708,870	42.1%
Computer Equipment	582,520	1,339,994	1,165,471	598,198	51.3%
Firemen's Pension	37,480	94,000	94,000	46,516	49.5%

The 1% for the Arts Fund is at 92.3 percent of amended budget at the end of June. This is due to a one-time expenditure to repair and replace the art walls at the Mercer Island Community and Events Center. No further expenditures are anticipated. Staff estimate the Fund will end the year within budget.

Computer Equipment Fund: Total expenditures are 51.3 percent of amended budget at the end of June. Expenditures in this Fund include the capital replacement of computer hardware and technology infrastructure which often occurs in the first quarter.

All other variances are within expected norms through the end of June.

Two summary listings of the originally adopted 2019-2020 Budget (expenditures only), broken down by year, and amendments adopted by Ordinance through June 30, 2020 are presented below.

**2019 Budget Adjustment Summary
Expenditures by Fund**

Fund Type / Fund Name	Original 2019 Budget	2019 Budget Adjustments					Amended 2019 Budget
		Administrative Biennial Corrections	ORD 19-08 2018 Carryovers 5/7/2019	ORD 19-09 Q1 2019 FSR 5/21/2019	ORD 19-12 Q2 2019 FSR 9/3/2019	ORD 19-17 Q3 2019 FSR 11/19/2019	
General Purpose Funds:							
General	32,505,106	(407,105)	117,246	(281,756)	40,604	40,000	32,014,095
Self-Insurance	10,000						10,000
Youth Services Endowment	3,500						3,500
Special Revenue Funds:							
Street*	3,567,588	(46,409)	306,315				3,827,494
Contingency	1,035,704		304,838		269,523	63,055	1,673,120
1% for the Arts	15,000	(14,465)	13,521				14,056
Youth & Family Services	2,870,274	(55,603)	131,570	51,460	126,878	87,150	3,211,729
Debt Service Funds:							
Bond Redemption (Voted)	-						-
Bond Redemption (Non-Voted)	841,800						841,800
Capital Projects Funds:							
Town Center Parking Facilities*	139,930		2,340,630		269,523	63,055	2,813,138
Capital Improvement*	3,041,056		877,790				3,918,846
Technology & Equipment*	640,000		167,965				807,965
Capital Reserve*	-						-
Enterprise Funds:							
Water*	9,557,767	4,830	242,285	17,831			9,822,713
Sewer*	10,310,350	(33,555)	807,728	9,296			11,093,819
Stormwater*	2,680,563		500,654	12,344			3,193,561
Internal Service Funds:							
Equipment Rental*	1,537,942		225,354	152,399			1,915,695
Computer Equipment*	1,196,047				(161,097)		1,034,950
Trust Funds:							
Firemen's Pension	89,000						89,000
Total	70,041,627	(552,307)	6,035,896	(38,426)	545,431	253,260	76,285,481

* Capital Improvement Program (CIP) projects are accounted for in these funds.

2020 Budget Adjustment Summary
Expenditures by Fund

Fund Type / Fund Name	Original 2020 Budget	2020 Budget Adjustments							Amended 2020 Budget
		Administrative Biennial Corrections	ORD 19-09 Q1 2019 FSR 5/21/2019	ORD 19-12 Q2 2019 FSR 9/3/2019	ORD 19-17 Q3 2019 FSR 11/19/2019	ORD 20-06 Q4 2019 FSR 4/7/2020	ORD 20-08 Ph 1 & Ph 2 6/2/2020	ORD 20-09 Ph 1 & Ph 2 6/2/2020	
General Purpose Funds:									
General	32,741,117	407,105	(861,130)		20,000	7,500	(1,689,600)		30,624,992
Self-Insurance	10,000								10,000
Youth Services Endowment	3,500								3,500
Special Revenue Funds:									
Street*	3,210,098	46,409		100,000					3,356,507
Contingency	-						796,000	250,000	1,046,000
1% for the Arts	15,000	14,465							29,465
Youth & Family Services	2,844,145	55,603	(7,947)		348,600	91,997			3,332,398
Debt Service Funds:									
Bond Redemption (Voted)	-								-
Bond Redemption (Non-Voted)	839,700								839,700
Capital Projects Funds:									
Town Center Parking Facilities*	-								-
Capital Improvement*	2,549,045					26,680			2,575,725
Technology & Equipment*	287,000								287,000
Capital Reserve*	-								-
Enterprise Funds:									
Water*	11,797,813	(4,830)							11,792,983
Sewer*	12,081,909	33,555							12,115,464
Stormwater*	2,601,762				50,000				2,651,762
Internal Service Funds:									
Equipment Rental*	1,649,995					32,917			1,682,912
Computer Equipment*	1,339,994			(174,523)					1,165,471
Trust Funds:									
Firemen's Pension	94,000								94,000
Total	72,065,078	552,307	(869,077)	(74,523)	418,600	159,094	(893,600)	250,000	71,607,879

* Capital Improvement Program (CIP) projects are accounted for in these funds.

Revenue Forecast



Projections through year-end and 2021-2022

CITY COUNCIL | September 1, 2020

Purpose

- ❑ Second Quarter Financial Report Highlights
- ❑ September Revenue Forecast thru 2020
- ❑ 2021-2022 projections for upcoming budget process
 - ❑ Highlights from General Fund revenues
 - ❑ Other revenues and Funds
- ❑ Budget calendar



Q2 Financial Report – Revenues

- ❑ Collected \$14.9 M in GF revenues, 48% of the amended revenue budget
- ❑ GF revenues are \$1.4 M less than second quarter in 2019
- ❑ Shortfall due to declines in recreation, licensing, permitting, and land use revenues resulting from the Pandemic



Q2 Financial Report – Expenses

- ❑ Spent \$14.8 M in the GF, 48% of the amended budget
- ❑ Expenses are \$1.1 M less than second quarter in 2019
- ❑ Reflects phased cost saving measures that began in May 2020
- ❑ Assume expenses will remain within budget estimates thru year-end
- ❑ No further reductions anticipated beyond phase 3



Forecasting during a Global Pandemic

Item 12.

Sums up the general sentiment



among economists, investors, and (interim) Finance Directors



Lingering Questions

- ❑ How long will business operations be limited?
 - ❑ Do additional shutdowns lie ahead?
 - ❑ Continuation of Federal support?
 - ❑ Length of economic recovery?
-
- ❖ Important to update and monitor projections as conditions and information changes.



General Fund – Revenue Forecast

Item 12.

September forecast projects a revenue shortfall of

\$ (3,400,000)

Approximately 11% of 2020 adopted budget revenues



General Fund – 2020 Overview

Staff project a \$3.4 million revenue shortfall

Three phases of cost saving measures reduced expenses \$3.8 million

General Fund	2020 Adopted Budget	2020 Forecast (SEPT)
Revenues	\$32.0 M	\$28.7 M
Expenditures	\$31.9 M	\$28.1 M
Year-end		\$630 K

Slight differences may occur due to rounding

GF balance covers the 27th pay period expense of \$588,000



General Fund – 2020 Overview

- ❑ While projections since May have improved, far from business as usual
- ❑ Staff is closely monitoring all expenses thru December
- ❑ Diligent effort to balance the General Fund at year-end
- ❑ Depending on third quarter data, may request Contingency Funds to help balance the General Fund at year-end



General Fund – Next Biennium

Funds (in millions)	2020 Adopted Budget	2021 Forecast (SEPT)	2022 Forecast (SEPT)
General Fund Revenues	\$32 M	\$29 M	\$30.9 M
Contingency Fund Balance	\$4.2 M	\$3.6 M	-

Slight differences occur due to rounding

First glance at next biennium, basis for upcoming budget process

Conservative projections given the level of uncertainty

Adapt forecast as circumstances change



General Fund Forecast – what changed?

Some revenues have improved, others have worsened

001 - GENERAL FUND (in thousands)	2020 Adopted Budget	2020 Forecast (MAY)	2020 Forecast (SEPT)	Difference from May
REVENUE				
PROPERTY TAX	12,717	12,363	12,389	25
GENERAL SALES TAX	5,099	4,229	4,792	563
UTILITY TAXES	4,661	4,272	4,584	313
LICENSE, PERMIT, AND ZONING FEES	3,346	2,110	2,087	(23)
B&O TAXES	662	607	565	(42)
PARK AND RECREATION	1,593	582	351	(231)
EMS REVENUES	1,392	1,392	1,392	0
COST ALLOCATION	751	751	751	0
INTERFUND TRANSFERS	0	0	16	16
SHARED REVENUES	1,206	981	1,190	209
MUNICIPAL COURT	347	218	214	(3)
MISCELLANEOUS REVENUES	223	223	316	92
INTEREST EARNINGS	26	14	24	10
TOTAL REVENUES	\$32,022	\$27,741	\$28,670	\$929



Property Tax

	2020 Adopted	MAY Forecast	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Property Tax	\$12.7 M	12.4 M	12.4 M	(328K)	12.8 M	13.1 M

Key Assumptions pending further analysis

- ❑ Typically stable revenue source
- ❑ No change from May, assume 3% reduction
- ❑ Lag in payments at year-end (OCT payments)
- ❑ Project 1% plus new construction in 2021-2022, revenue will be stable



Sales Tax – Trends

\$ in thousands	JAN	FEB	MAR	APR	MAY	JUN	JUL	YTD	JAN-MAR	APR-JUL
2019	\$443	\$322	\$294	\$372	\$347	\$374	\$374	\$2,526	\$1,059	\$1,467
2020	\$377	\$467	\$356	\$286	\$385	\$320	\$356	\$2,546	\$1,200	\$1,346
Change	-15.0%	45.2%	21.1%	-23.1%	11.0%	-14.6%	-5.0%	0.8%	13.3%	-8.2%

- ❑ Started 2020 year with strong sales tax earnings
- ❑ Post-COVID shows decrease compared to 2019
- ❑ Remaining unknowns
 - ❑ Unemployment levels?
 - ❑ Likelihood of additional Federal aid?



Sales Tax

	2020 Adopted	MAY Forecast	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Sales Tax	\$5.1 M	4.2 M	4.8 M	(307K)	4.8 M	5 M

Key Assumptions pending further analysis

- ❑ Project 6% decline from 2020 adopted budget thru year-end
- ❑ Flat in 2021, 5% rebound in 2022
- ❑ Considers seasonality thru the end of the year based on historical trends



License, Permit, & Zoning Fees

	2020 Adopted	MAY Forecast	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
LPZ Fees	\$3.3 M	2.10 M	2.09 M	(1.3 M)	2.3 M	2.2 M

Key Assumptions pending further analysis

- ❑ Highly technical to predict, building new tools for future forecasting efforts
- ❑ 18-month downward trend continues thru year-end
- ❑ Project a 38% decrease compared to 2020 adopted budget by year end
- ❑ Specific multi-family project activity in 2021 and 2022 directly inform projections in coming biennium.



Parks and Recreation

	2020 Adopted	MAY Forecast	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
EMS Revenues	\$1.6 M	582K	351K	(\$1.2 M)	111K	1.6 M

Key Assumptions pending further analysis

- ❑ Significantly impacted by the Pandemic
- ❑ Assume limited revenues in 2021 and 2022 revenues akin to levels b/t 2016-2017
- ❑ Re-opening plan at the ready if services can resume earlier

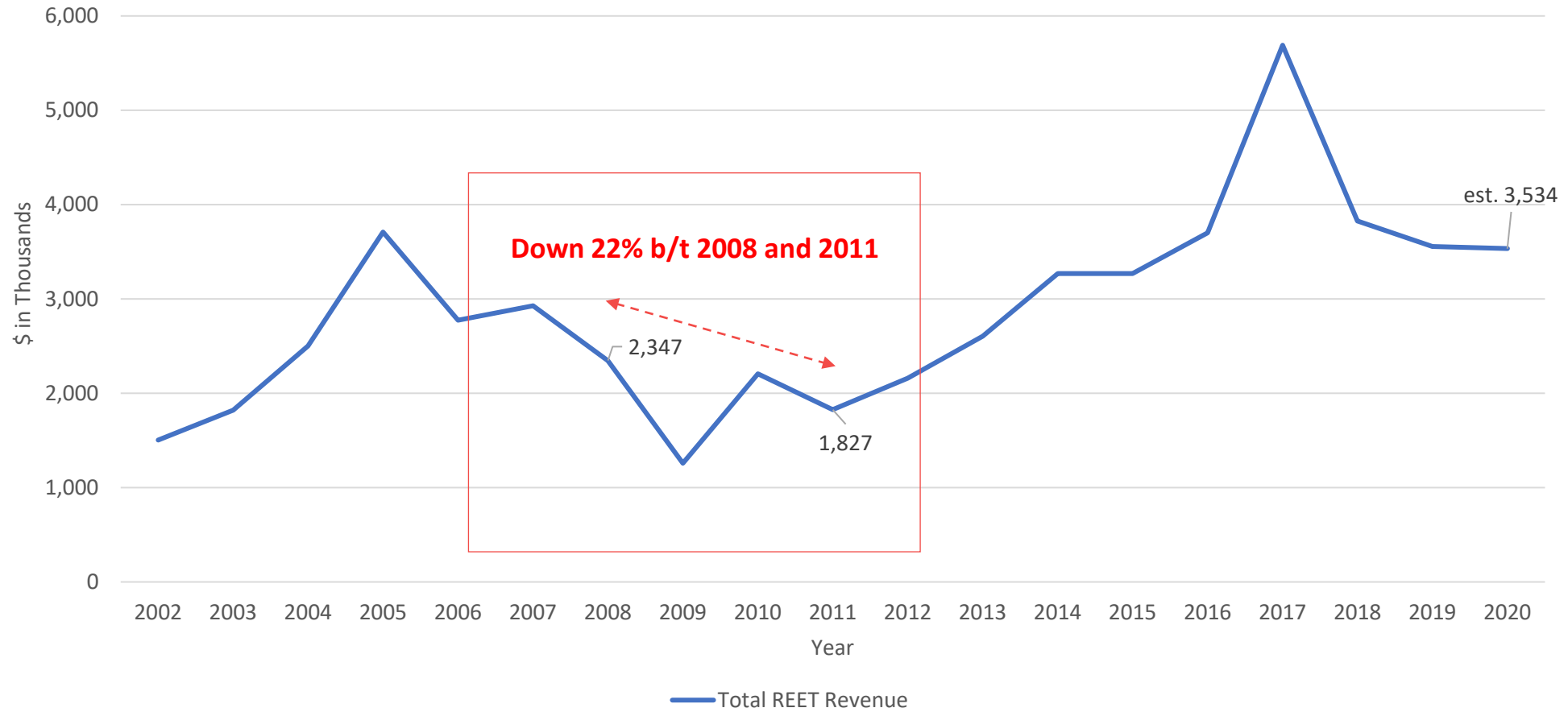


Other Fund Revenue Sources



Real Estate Excise Tax

Historical REET Revenues by Year



Real Estate Excise Tax

- ❑ Real estate activity on Mercer Island in 2020 compared to 2019
- ❑ Real estate transactions in Mercer Island are very active
- ❑ In 2020, demand outpaces supply
- ❑ Overall REET revenues slightly declining from 2019 to 2020

REET Analysis	JAN	FEB	MAR	APR	MAY	JUN	AVG CHANG
Change in # of properties for sale	-54%	-48%	-44%	-45%	-43%	-34%	-45%
Change in Revenue	-66%	47%	23%	13%	-52%	-0.32%	-6%
Change in # of properties sold	-48%	16%	71%	-21%	-22%	-15%	-3%

Excludes property sales of \$5 million or greater for an apples to apples comparison



Real Estate Excise Tax

	2019 Adopted	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
REET	\$3.7 M	3.9 M	3.5 M	(310K)	3.7 M	3.8 M

Slight differences occur due to rounding

Key Assumptions pending further analysis

- ❑ Assume an 8% decrease from 2020 adopted budget
- ❑ Assume a 4% increase in 2021 and a 3% increase in 2022



Thrift Shop

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Thrift Shop Revenue	\$2 M	364K	(1.6M)	-	1.7 M

Key Assumptions pending further analysis

- ❑ Closed March 16, will likely remain closed through year-end
- ❑ Assume Thrift Shop will not re-open in 2021
- ❑ For 2022, assume revenues akin to earning levels between 2016-2018
- ❑ Factors for safe and successful re-opening include
 - ❑ Adapting to the new retail business environment
 - ❑ Thrift Shop remodel decisions and impact on operations
 - ❑ Donation volumes with new retail consumption habits



YFS Donations

	2020 Adopted	SEP Forecast	Diff.	2021 Forecast	2022 Forecast
Donations & Misc.	\$362K	455K	93K	1.02 M	318K

Key Assumptions pending further analysis

- ❑ Donations from MIYFS Foundation earmarked for emergency assistance support, senior services, and general YFS program support.
- ❑ Receipt of MIYFS donation of \$102,600 to support school counseling thru Dec 2020.
- ❑ Assume \$712,400 in 2021 to support YFS programming.
- ❑ Assume same donation levels in 2022.



Contingency Fund Balance

Contingency Fund Balance	Total
Beginning Balance, 1/2020	\$4,233,892
Unemployment reserve	(300,000)
YFS contribution	(250,000)
EOC expense thru year-end (offset by CARES)	(107,900)
Uncommitted balance as of Sept 2020	\$3,575,992

- ❑ Uncommitted balance is 11% of 2020 adopted expenditure budget
- ❑ Critical resource to stabilize organization if economic conditions continue to deteriorate
- ❑ Serves as gap funding and start-up capital to re-open services



Next Steps

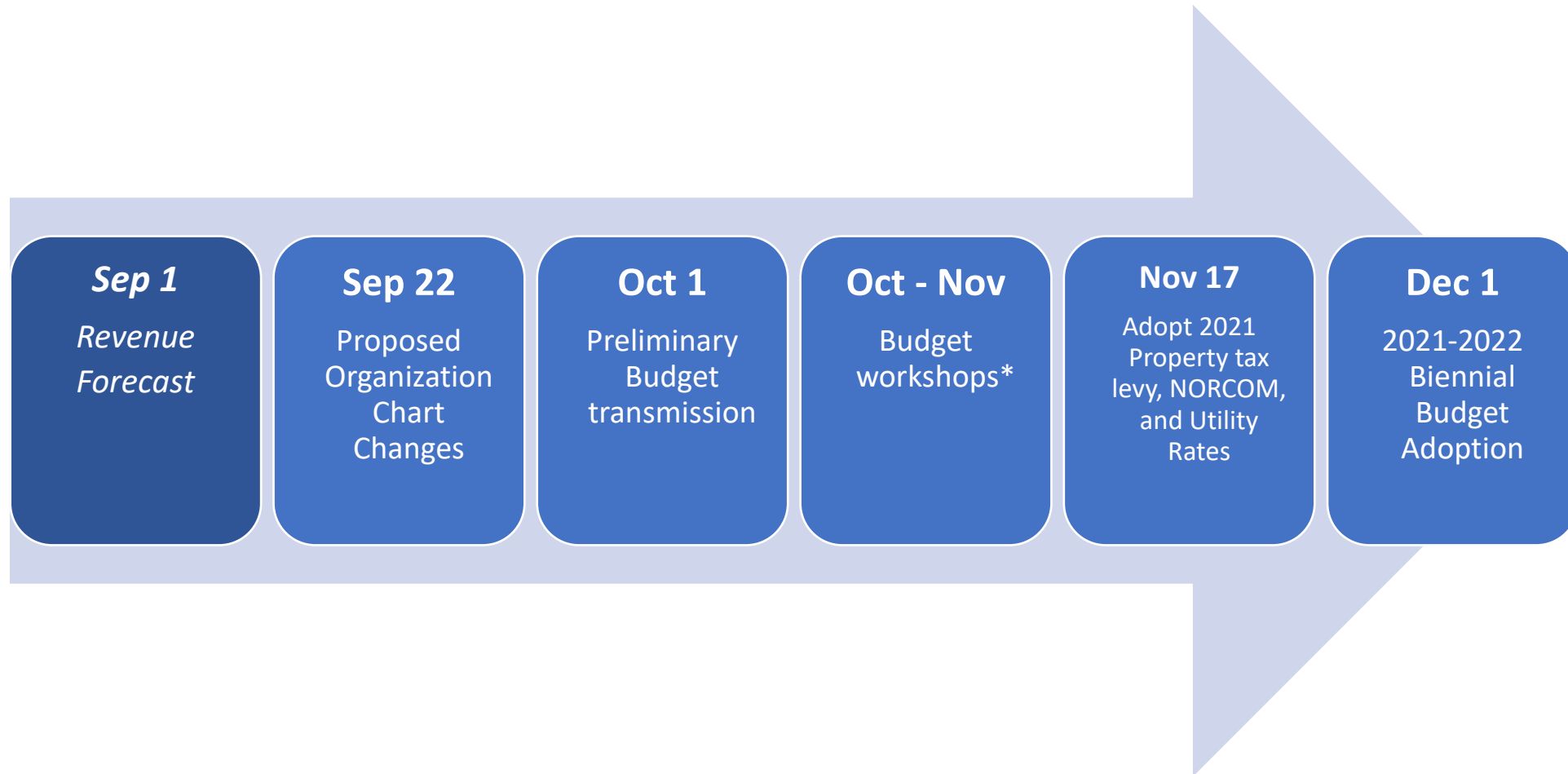


Next Steps

- ❑ Revenue forecast is the foundation for the upcoming Biennium Budget process
- ❑ Staff is committed to monitoring financial data as it becomes available
- ❑ Will revise the forecast and notify Council and community



Budget Calendar



**Three budget workshops scheduled and three public hearings (1 for property tax and 2 for budget)*



Budget Amending Ordinance

- ❑ Staff recommends Council
 - ❑ Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
 - ❑ Adopt Ordinance No. 20-19 amending the 2019-2020 budget to memorialize phase 3 cost saving measures.



Questions

Prepared by Matthew Mornick





BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5742
September 1, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5742: Town Center Moratorium Update and Findings of Fact (Ordinance No. 20-18; Second Reading)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Adopt Ordinance No. 20-18 amending the Scope of the Town Center Moratorium and adopting additional Findings of Fact.	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Alison Van Gorp, Community Planning & Development Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Adopted Ordinance No. 20-12 2. Proposed Ordinance No. 20-18
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

On August 4, 2020, the City Council held a first reading on Ordinance No. 20-18 and the Findings of Fact (see [AB 5736](#)) and subsequently requested a second reading on September 1, 2020 to allow time for additional public comment and feedback.

BACKGROUND

On June 2, 2020, the City Council adopted Ordinance No. 20-12 (see Exhibit 1), establishing a 6-month moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation. On July 21, 2020, the City Council held a public hearing (see [AB 5729](#)) on the Town Center Moratorium and directed staff to prepare an amended ordinance reducing the size of the geographical area subject to the moratorium and including additional findings of fact.

NEXT STEPS

Development Regulation Amendment: Scope of Work and Funding

The consultant RFP is in development for retail analysis. Staff will prepare a scope of work for the consultant and an appropriation request for City Council review and approval in the fall of 2020. The scope of work will be informed by the discussion of the moratorium scope at the July 21, 2020 Council Meeting and the adoption of the findings of fact for the moratorium on September 1, 2020 (see Exhibit 2).

Review Process

Any proposed amendments to the Town Center regulations will require review by the Planning Commission, a public hearing, and final adoption by the City Council. Certain Town Center code amendments may also require an amendment to the Comprehensive Plan.

RECOMMENDATION

Adopt Ordinance No. 20-18 amending the scope of the Town Center Moratorium and adopting additional findings of fact.

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-12**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;
ADOPTING A MORATORIUM ON THE ACCEPTANCE OF CERTAIN
BUILDING PERMIT APPLICATIONS IN THE MERCER ISLAND TOWN
CENTER ZONE; SCHEDULING A PUBLIC HEARING; DECLARING AN
EMERGENCY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING
AN IMMEDIATE EFFECTIVE DATE.**

WHEREAS, in compliance with the Washington State Growth Management Act, Chapter 36.70A RCW, the City of Mercer Island (City) adopted a Comprehensive Plan in 1994 and has amended the plan on several occasions since that time; and

WHEREAS, in compliance with the Washington State Growth Management Act, Chapter 36.70A RCW, the City has adopted a zoning code and map (Mercer Island City Code, Title 19, Unified Land Development Code); and

WHEREAS, as part of its Growth Management Act obligations, the City desires to significantly update and amend development regulations applicable to certain parts of the Mercer Island Town Center, including requirements for various types of commercial retail space; and

WHEREAS, during its annual Planning Session, the City Council established a work plan for 2020 and 2021 that prioritized the included updates to the Town Center development regulations; and

WHEREAS, the City Council may adopt an immediate moratorium for a period of up to six months on the acceptance of building and development permit applications for major new construction as long as the City Council holds a public hearing on the proposed moratorium within sixty days after adoption, pursuant to RCW 35A.63.220 and RCW 36.70A.390; and

WHEREAS, consistent with the provisions of RCW 35A.63.220 and RCW 36.70A.390, it is appropriate for the City Council to hold a public hearing and to adopt findings of fact supporting and justifying the moratorium, and to implement a work plan to prepare and adopt changes to the Town Center development regulations; and

WHEREAS, allowing building and other new development to continue in certain parts of the Town Center zone before the City Council can fully consider new Town Center development regulations will substantially impact orderly growth in the Town Center zone; and

WHEREAS, building permit applications and other development proposals submitted under existing regulations may be inconsistent with the updated Town Center regulations; and

WHEREAS, the City Council finds that if new developments vest under the current Town Center regulations, it may result in a poorly designed Town Center, visual blight, economic hardship, and poor infrastructure design that pose harm to public health, safety, property, and welfare; and

WHEREAS, to prevent the potential harm to public health, safety, property, and welfare, the City Council concludes that the City Council needs to take immediate action; and

WHEREAS, the moratorium does not apply to any complete application for a development proposal that has vested pursuant to MICC 19.15.170 to the regulations in effect prior to the effective date of this ordinance; and

WHEREAS, the City shall schedule a public hearing before August 01, 2020, consistent with the requirements set forth in RCW 35A.63.220 and RCW 36.70A.390.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DO ORDAIN AS FOLLOWS:

- Section 1. Moratorium Established.** The Mercer Island City Council hereby imposes a six month moratorium on the submission or acceptance of applications for any building permits or any other land use approvals for Major New Construction as defined in MICC 19.16.010 for properties located south of SE 29th Street within the Town Center (TC) zone at Mercer Island. All applications subject to this moratorium received by the City shall be rejected and returned to the applicant.
- Section 2. Whereas Clauses Adopted.** The “Whereas Clauses” set forth in the recital section above are hereby adopted as the preliminary findings of the City Council for passing this ordinance.
- Section 3. Public Hearing.** A public hearing shall be scheduled and noticed to be held before August 01, 2020 pursuant to RCW 35A.63.220 and RCW 36.70A.390 to hear and consider the comments and testimony of those wishing to speak regarding the moratorium enacted by this ordinance. After the public hearing, the City Council will either adopt findings of fact justifying the continuation of the moratorium, or adopt an ordinance lifting it.
- Section 4. Duration of Moratorium.** The moratorium established by this ordinance shall continue in effect for an initial period of six months, unless repealed, extended or modified by the City Council after subsequent public hearing(s), entry of appropriate findings of fact, and or development of a work plan for related studies pursuant to RCW 35A.63.220 and RCW 36.70A.390.
- Section 5. Declaration of Emergency.** As set forth in the “Whereas Clauses” adopted in Section 2 of this ordinance, the City Council hereby declares that an emergency exists necessitating that this ordinance take effect immediately

upon proper passage by the whole membership of the City Council, and that the same is exempt from SEPA review under WAC 197-11-880.

Section 6. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this ordinance or its application to any other person, property or circumstance.

Section 7. Effective Date. This ordinance, as a public emergency ordinance necessary for the protection of the public health, safety, property, and welfare, shall take effect and be in full force and effect immediately upon its proper passage by the City Council as provided under RCW 35A.13.190.

Passed unanimously by the City Council of the City of Mercer Island, Washington, at its regular meeting on June 2, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND



Benson Wong, Mayor

ATTEST:



Deborah A. Estrada, City Clerk

Approved as to Form:

/s/

Bio Park, City Attorney

Date of Publication: June 10, 2020

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-18**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;
AMENDING THE SCOPE OF MORATORIUM ADOPTED BY ORDINANCE 20-
12; ADOPTING ADDITIONAL FINDINGS OF FACT; PROVIDING FOR
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the City adopted Ordinance No. 20-12 on June 2, 2020, implementing a six-month moratorium pursuant to RCW 35A.63.220 and RCW 36.70A.390 on the submission or acceptance of applications for any building permits or any other land use approvals for Major New Construction as defined in MICC 19.16.010 for properties located south of SE 29th Street within the Town Center (TC) zone at Mercer Island; and

WHEREAS, Ordinance No. 20-12 also called for a public hearing to be scheduled before August 01, 2020 to receive public comments related to the adoption of the moratorium; and

WHEREAS, the City Council held the public hearing on July 21, 2020 and received public comments on the moratorium, consistent with the requirements set forth in RCW 35A.63.220 and RCW 36.70A.390; and

WHEREAS, protecting and expanding Mercer Island's retail sector is of utmost importance to maintaining and improving the quality of life and emergency preparedness by providing local access to goods and services that are necessary to meet the daily needs of residents; and

WHEREAS, the City Council has determined the bounds of the moratorium should be limited to the area within the Town Center (TC) zone south of SE 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Moratorium Amended. The scope of the moratorium adopted in Section 1 of Ordinance 20-12 is amended as follows:

Mercer Island City Council hereby imposes a six month moratorium on the submission or acceptance of applications for any building permits or any other land use approvals for Major New Construction as defined in MICC 19.16.010 for properties located ~~south of SE 29th Street~~ within the Town Center (TC) zone at Mercer Island south of SE 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE. All applications subject to this moratorium received by the City shall be rejected and returned to the applicant.

Section 2. Map of Moratorium. A map depicting generally the area covered by the moratorium adopted by Ordinance 20-12 as amended and narrowed by Section 1 of this ordinance is attached as Exhibit One.

Section 3. Whereas Clauses Adopted. The "Whereas Clauses" set forth in the recital section above are hereby adopted as additional findings of the City Council for adopting the moratorium in Ordinance 20-12, as amended by this ordinance.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this ordinance or its application to any other person, property or circumstance.

Section 5. Effective Date. This ordinance shall take effect and be in force 5 days after its passage and publication.

Passed by the City Council of the City of Mercer Island, Washington, at its regular meeting on September 1, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND

Benson Wong, Mayor

Approved as to Form:

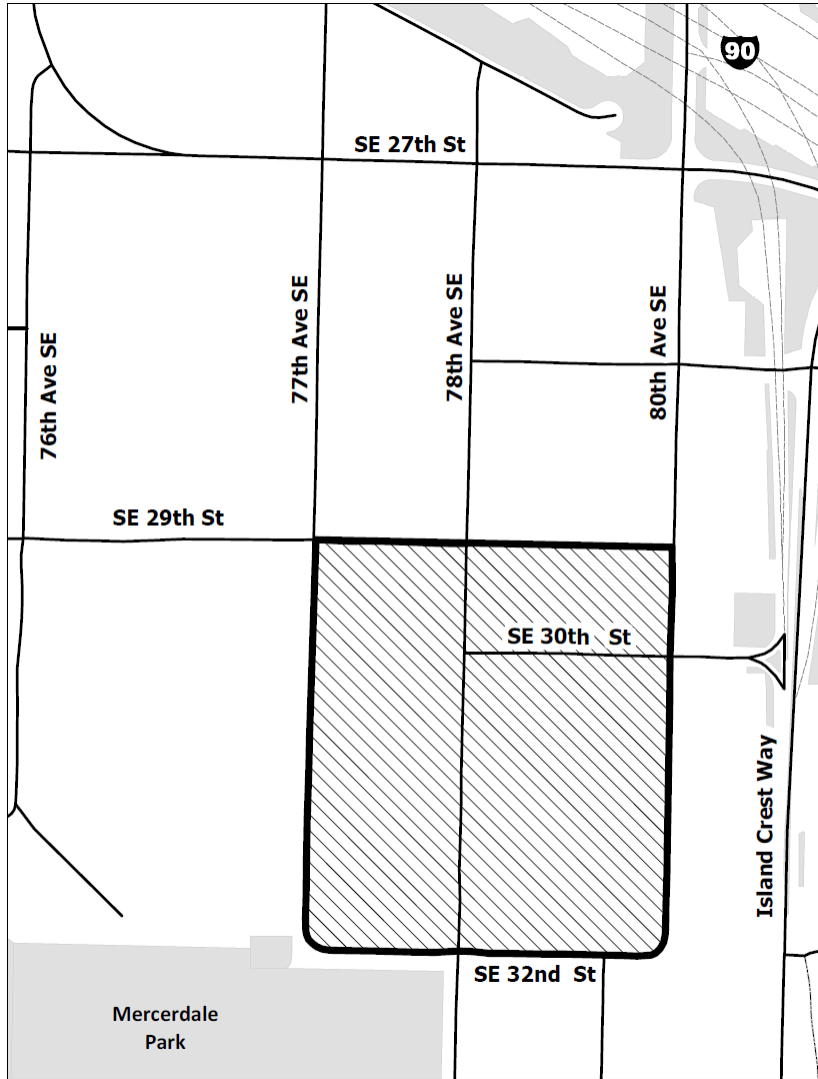
ATTEST:

Bio Park, City Attorney

Deborah A. Estrada, City Clerk

Date of Publication: _____

Exhibit One



TOWN CENTER MORATORIUM UPDATE AND FINDINGS OF FACT

AB 5742 | September 1, 2020



Town Center Moratorium

- On June 2, City Council adopted Ordinance No. 2012, placing a moratorium on major new construction in the Town Center
- On July 21, City Council held public hearing and directed staff to draft an ordinance amending the geographic extent of the moratorium
- On August 4, City Council held a first reading of Ordinance No. 20-18. A second reading was requested to allow time for additional public comment and feedback
- Today, the Council can adopt Ordinance No. 20-18 to amend the moratorium and adopt additional findings of fact



Next Steps

1. Consultant RFP currently in development for retail analysis
2. Staff will bring scope of work, schedule and appropriation request to Council later in the fall
3. Any amendments proposed to the Town Center regulations or the Comprehensive Plan will require Planning Commission review, a public hearing, and adoption by the City Council



Recommended Action

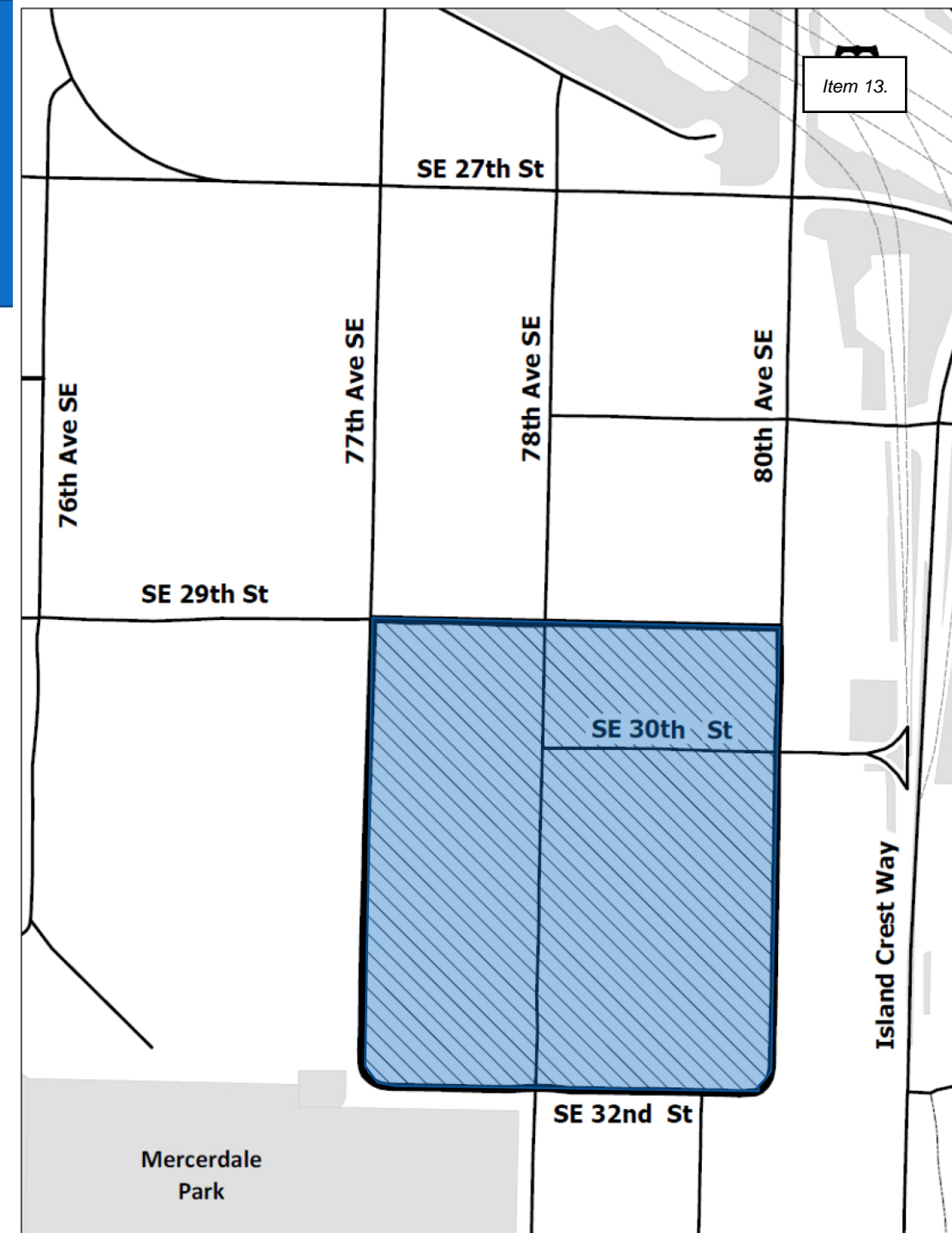
Adopt Ordinance No. 20-18 amending the scope of the Town Center moratorium and adopting additional findings of fact



Amend Moratorium

Ordinance No. 20-18 would amend the scope of the Town Center moratorium to include the geographic area shown:

- South of SE 29th St
- East of 77th Ave SE
- West of 80th Ave SE
- North of SE 32nd St



Findings of Fact

WHEREAS, the City adopted Ordinance No. 20-12 on June 2, 2020, implementing a six-month moratorium pursuant to RCW 35A.63.220 and RCW 36.70A.390 on the submission or acceptance of applications for any building permits or any other land use approvals for Major New Construction as defined in MICC 19.16.010 for properties located south of SE 29th Street within the Town Center (TC) zone at Mercer Island; and

WHEREAS, Ordinance No. 20-12 also called for a public hearing to be scheduled before August 01, 2020 to receive public comments related to the adoption of the moratorium; and

WHEREAS, the City Council held the public hearing on July 21, 2020 and received public comments on the moratorium, consistent with the requirements set forth in RCW 35A.63.220 and RCW 36.70A.390; and

WHEREAS, protecting and expanding Mercer Island's retail sector is of utmost importance to maintaining and improving the quality of life and emergency preparedness by providing local access to goods and services that are necessary to meet the daily needs of residents; and

WHEREAS, the City Council has determined the bounds of the moratorium should be limited to the area within the Town Center (TC) zone south of SE 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE; and





2020 PLANNING SCHEDULE

Item 14.

Please email the City Manager & City Clerk when an agenda item is added, moved, or removed.

NOTE - Regular Meetings begin at 5:00 pm from June 16, 2020 through December 31, 2020. Items are not listed in any particular order. Agenda items & meeting dates are subject to change.

SEPTEMBER 1		DD	FN	CA	Clerk 8/24	CM 8/24
ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION (5:00 PM)						
60	AB 5743: Business Needs Assessment Survey Report			Sarah Bluvas		
CONSENT CALENDAR						
--	AB 5740: 2020-2021 Interlocal Agreement with the Mercer Island School District for School-Based Counseling Services			Ed Holmes/Derek Franklin		
--	AB 5739: King County CARES Act Coronavirus Relief Fund Grant Acceptance			Sarah Bluvas		
--	AB 5744: National Recovery Month Proclamation No. 256			Derek Franklin		
REGULAR BUSINESS						
15	AB 5745: Zayo Group, LLC. Franchise Agreement (Ord. No. 20-16; 2nd Reading and Adoption)			Patrick Yamashita/Bio Park		
30	AB 5721: Board & Commission Vacancy Appointments			Deb Estrada		
30	AB 5747: First reading of Ordinance No. 20C-20 temporarily increasing utility tax rates to raise additional revenue for potential litigation to enforce the terms of the City's 2017 Settlement Agreement with Sound Transit.			LaJuan Tuttle/Bio Park		
60	AB 5741: Revenue Forecast and Second Quarter Financial Status Report (Ord. No. 20-19)			Matt Mornick/LaJuan Tuttle		
30	AB 5742: Town Center Moratorium Update and Findings of Fact (Ordinance No. 20-18; Second Reading)			Alison Van Gorp		
EXECUTIVE SESSION						
	Potential Litigation					

SEPTEMBER 15		DD	FN	CA	Clerk 9/7	CM 9/7
PUBLIC HEARING NOTICE: Email 8/13; MIR 8/19						
ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION (5:00 PM)						
SPECIAL BUSINESS						
CONSENT CALENDAR						
--	AB xxxx: WRIA 8 Interlocal Agreement Amendment			Jason Kintner		
--	AB 5746: Interlocal Agreement with the Mercer Island School District for Field Maintenance (Tentative)			Jason Kintner		
REGULAR BUSINESS						
30	AB xxxx: PUBLIC HEARING on Emergency Ordinance 20C-17 to Temporarily Allow Private Parking and Right-of-Way Use by Businesses to Meet Safe Start Plan Guidelines			Sarah Bluvas/Alison Van Gorp		
15	AB xxxx: Permit Expiration Extension			Alison Van Gorp		

30	AB xxxx: G. Richard Hill Code Amendment	Bio Park
30	AB xxxx: Thrift Shop & Recycle Center Project Update	Jason Kintner
30	AB xxxx: Second reading and adoption of Ordinance No. 20C-20 temporarily increasing utility tax rates to raise additional revenue for potential litigation to enforce the terms of the City's 2017 Settlement Agreement with Sound Transit.	LaJuan Tuttle/Bio Park
EXECUTIVE SESSION		

OCTOBER 6		DD	FN	CA	Clerk 9/28	CM 9/28
ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION (5:00PM)						
30	AB xxxx: ARCH 2021 Budget (Tentative)			Alison VanGorp		
30	AB xxxx: Final Business Needs Assessment Survey Report			Sarah Bluvas		
SPECIAL BUSINESS						
CONSENT CALENDAR						
REGULAR BUSINESS						
90	AB xxxx: 2021-2022 Biennial Budget: Overview of Organizational Changes			Jessi Bon		
60	AB xxxx: Town Center Scoping/Next Steps			Alison Van Gorp		
30	AB 5730: Donations Code Amendment (Ord. 20C-15 First Reading)			Alison Van Gorp		
30	AB 5719: PSERN Operator Interlocal Agreement			Dave Jokinen		
EXECUTIVE SESSION						

OCTOBER 13 – SPECIAL MEETING (BUDGET)		DD	FN	CA	Clerk 9/28	CM 9/28
ABSENCES:						
Public Hearing Notice:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION						
120	AB xxxx: 2021-2022 Biennial Budget Presentation (Part 1 of 2)			Jessi Bon/Matt Mornick		

OCTOBER 20 (BUDGET)		DD	FN	CA	Clerk 10/12	CM 10/12
Legal Notice for Public Hearing:						
ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION						
SPECIAL BUSINESS						

CONSENT CALENDAR		
30	AB XXX: Donations Code Amendment (Ord. 20C-15 Second Reading)	Alison Van Gorp
REGULAR BUSINESS		
120	AB xxxx: Public Hearing: 2021-2022 Biennial Budget (Part 2 of 2)	Matt Mornick/LaJuan Tuttle
EXECUTIVE SESSION		

NOVEMBER 2 (MONDAY)		DD	FN	CA	Clerk 10/26	CM 10/26
ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION						
60	2021-2022 Biennial Budget Workshop (If Needed)					
SPECIAL BUSINESS						
CONSENT CALENDAR						
REGULAR BUSINESS						
30	AB xxxx: Q3 2020 Financial Status Report and Budget Adjustments (Ord. No. 20-XX)				Matt Mornick/LaJuan Tuttle	
30	AB xxxx: Construction Permit Fee Resolution				Alison Van Gorp	
60	AB xxxx: 2021 Comprehensive Plan / Code Amendment Preliminary Docket (tentative)				CPD Staff – TBD	
EXECUTIVE SESSION						

NOVEMBER 17		DD	FN	CA	Clerk 11/9	CM 11/9
Legal Notice for Public Hearing: ABSENCES:						
ITEM TYPE TIME TOPIC				STAFF		
STUDY SESSION						
SPECIAL BUSINESS						
CONSENT CALENDAR						
REGULAR BUSINESS						
60	AB xxxx: Public Hearing: Adopt 2021 Property Tax Ordinances; NORCOM and Utility Rate Resolutions				Matt Mornick/LaJuan Tuttle	
30	AB xxxx: School Impact Fee Update (tentative)				CPD Staff – TBD	

EXECUTIVE SESSION					

DECEMBER 1			DD	FN	CA	Clerk 11/23	CM 11/23
ABSENCES:							
Public Hearing Notice:							
ITEM TYPE TIME TOPIC						STAFF	
STUDY SESSION							
SPECIAL BUSINESS							
CONSENT CALENDAR							
REGULAR BUSINESS							
30	AB xxxx: Public Hearing: Adoption of 2021-2022 Biennial Budget					Matt Mornick/LaJuan Tuttle	
15	AB xxxx: Interlocal Agreement with the Mercer Island School District for School Resource Officer Services					Ed Holmes	
EXECUTIVE SESSION							

DECEMBER 15			DD	FN	CA	Clerk	CM
ABSENCES:							
POTENTIALLY CANCELED							

OTHER ITEMS TO BE SCHEDULED:

- Open Space Vegetation Management Report
- Comprehensive Mobility Plan (ST Settlement)
- Stormwater Dissolved Metals Testing Report (Q3)
- Mobile Integrated Health (MIH) Overview (Q3)
- PROS Plan Kick-Off
- Public Hearing to amend ORD No. 96-002, Article III (OSCT)
- Mobile Integrated Health (MIH) Overview
- FS 91 Site Characterization Appropriation
- Open Space Conservancy Trust Board Annual Report
- Transportation Impact Fee Update
- Sign Regulations – Confirm Scope of Work
- Sustainability Committee Discussion
- International Building & Fire Code update
- Pavement 101 Discussion
- Residential Dev Standards 3-Yr Review – Scope of Work